

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1447, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 5-1-14-10, AS AMENDED BY P.L.146-2008,
- 3 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2009]: Sec. 10. (a) If an issuer has issued obligations under a
- 5 statute that establishes a maximum term or repayment period for the
- 6 obligations, notwithstanding that statute, the issuer may continue to
- 7 make payments of principal, interest, or both, on the obligations after
- 8 the expiration of the term or period if principal or interest owed to
- 9 owners of the obligations remains unpaid.
- 10 (b) This section does not authorize the use of revenues or funds to
- 11 make payments of principal and interest other than those revenues or
- 12 funds that were pledged for the payments before the expiration of the
- 13 term or period.
- 14 (c) Except as otherwise provided by this section, **IC 16-22-8-43,**
- 15 **IC 36-7-12-27, or IC 36-7-14-25.1, or IC 36-9-13-30 (but only with**
- 16 **respect to any bonds issued under IC 36-9-13-30 that are secured**
- 17 **by a lease entered into by a political subdivision organized and**
- 18 **existing under IC 16-22-8),** the maximum term or repayment period
- 19 for obligations issued after June 30, 2008, that are wholly or partially
- 20 payable from ad valorem property taxes, special benefit taxes on



property, or tax increment revenues derived from property taxes may not exceed:

(1) the maximum applicable period under federal law, for obligations that are issued to evidence loans made or guaranteed by the federal government or a federal agency;

(2) twenty-five (25) years **after the date of their issuance**, for obligations that are wholly or partially payable from tax increment revenues derived from property taxes;

**(3) twenty (20) years after the date of the first lease rental payment, for obligations issued after June 30, 2009, that are wholly or partially payable from lease rental payments; or**

~~(4)~~ **(4) twenty (20) years after the date of their issuance**, for obligations that are not described in subdivision (1), ~~or~~ (2), **or (3)** and are wholly or partially payable from ad valorem property taxes or special benefit taxes on property.

SECTION 2. IC 5-28-26-18, AS AMENDED BY P.L.146-2008, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A unit may issue bonds for the purpose of providing public facilities under this chapter.

(b) The bonds are payable from any funds available to the unit.

(c) The bonds shall be authorized by a resolution of the unit.

(d) The terms and form of the bonds shall be set out either in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within:

(1) fifty (50) years **after the date of their issuance**, for bonds issued before July 1, 2008; or

(2) twenty-five (25) years **after the date of their issuance**, for bonds issued after June 30, 2008.

(f) The unit shall sell the bonds at public or private sale upon terms determined by the district.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of providing public facilities within a global commerce center, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include the cost of:

(1) planning and development of the public facilities and all related buildings, facilities, structures, and improvements;

(2) acquisition of a site and clearing and preparing the site for



- 1 construction;
- 2 (3) equipment, facilities, structures, and improvements that are
- 3 necessary or desirable to make the public facilities suitable for use
- 4 and operation;
- 5 (4) architectural, engineering, consultant, and attorney's fees;
- 6 (5) incidental expenses in connection with the issuance and sale
- 7 of bonds;
- 8 (6) reserves for principal and interest;
- 9 (7) interest during construction and for a period thereafter
- 10 determined by the district, but not to exceed five (5) years;
- 11 (8) financial advisory fees;
- 12 (9) insurance during construction;
- 13 (10) municipal bond insurance, debt service reserve insurance,
- 14 letters of credit, or other credit enhancement; and
- 15 (11) in the case of refunding or refinancing, payment of the
- 16 principal of, redemption premiums, if any, for, and interest on, the
- 17 bonds being refunded or refinanced.

18 (h) A unit that issues bonds under this section may enter an  
 19 interlocal agreement with any other unit located in the area served by  
 20 the district in which the global commerce center is designated. A party  
 21 to an agreement under this section may pledge any of its revenues,  
 22 including taxes or allocated taxes under IC 36-7-14, to the bonds or  
 23 lease rental obligations of another party to the agreement.

24 SECTION 3. IC 6-1.1-1-3.8 IS ADDED TO THE INDIANA CODE  
 25 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
 26 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 3.8. "Civil taxing unit"**  
 27 **has the meaning set forth in IC 6-1.1-18.5-1.**

28 SECTION 4. IC 6-1.1-1-8.2 IS ADDED TO THE INDIANA CODE  
 29 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 30 1, 2009]: **Sec. 8.2. "Homestead" has the meaning set forth in**  
 31 **IC 6-1.1-12-37.**

32 SECTION 5. IC 6-1.1-1-8.4, AS ADDED BY P.L.146-2008,  
 33 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 8.4. (a) "Inventory"**  
 35 **means:**

- 36 (1) materials held for processing or for use in production;
- 37 (2) finished or partially finished goods of a manufacturer or
- 38 processor; and



(3) property held for sale in the ordinary course of trade or business.

**(b) The term includes:**

(1) items that qualify as inventory under 50 IAC 4.2-5-1 (as effective December 31, 2008); **and**

**(2) subject to subsection (c), a mobile home or manufactured home that:**

**(A) does not qualify as real property;**

**(B) is located in a mobile home community; and**

**(C) has never been occupied.**

SECTION 6. IC 6-1.1-1-8.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 8.8. "Mobile home community" has the meaning set forth in IC 16-41-27-5.**

SECTION 7. IC 6-1.1-3-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 22. (a) Except to the extent that it conflicts with a statute and subject to subsection (f), 50 IAC 4.2 (as in effect January 1, 2001), which was formerly incorporated by reference into this section, is reinstated as a rule.

(b) Tangible personal property within the scope of 50 IAC 4.2 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001).

(c) The publisher of the Indiana Administrative Code shall publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 4.2 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

(f) The department of local government finance may not amend or repeal the following (all as in effect January 1, 2001):

(1) 50 IAC 4.2-4-3(f).

(2) 50 IAC 4.2-4-7.

(3) 50 IAC 4.2-4-9.

~~(4) 50 IAC 4.2-5-7.~~



1 ~~(5) 50 IAC 4.2-5-13.~~

2 ~~(6) (4) 50 IAC 4.2-6-1.~~

3 ~~(7) (5) 50 IAC 4.2-6-2.~~

4 ~~(8) (6) 50 IAC 4.2-8-9.~~

5 SECTION 8. IC 6-1.1-4-4, AS AMENDED BY P.L.146-2008,  
6 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 UPON PASSAGE]: Sec. 4. (a) ~~A general reassessment, involving a~~  
8 ~~physical inspection of all real property in Indiana, shall begin July 1,~~  
9 ~~2000, and be the basis for taxes payable in 2003. The county assessor~~  
10 **of each county shall, before January 1, 2010, prepare and submit**  
11 **to the department of local government finance a reassessment plan**  
12 **for the county. The following apply to a reassessment plan**  
13 **prepared and submitted under this section:**

14 (1) The reassessment plan is subject to approval by the  
15 department of local government finance.

16 (2) The department of local government finance shall  
17 determine the classes of real property to be used for purposes  
18 of this section.

19 (3) Except as provided in subsection (b), the reassessment plan  
20 must divide all parcels of real property in the county into five  
21 (5) different groups of parcels. Each group of parcels must  
22 contain approximately twenty percent (20%) of the parcels  
23 within each class of real property in the county.

24 (4) Except as provided in subsection (b), all real property in  
25 each group of parcels shall be reassessed under the county's  
26 reassessment plan once during each five (5) year cycle.

27 (5) The reassessment of a group of parcels in a particular  
28 class of real property shall begin on July 1 of a year.

29 (6) The reassessment of parcels:

30 (A) must include a physical inspection of each parcel of  
31 real property in the group of parcels that is being  
32 reassessed; and

33 (B) shall be completed on or before March 1 of the year  
34 after the year in which the reassessment of the group of  
35 parcels begins.

36 (7) For real property included in a group of parcels that is  
37 reassessed, the reassessment is the basis for taxes payable in  
38 the year following the year in which the reassessment is to be



1           **completed.**

2           (b) ~~A general reassessment, involving a physical inspection of all~~  
3 ~~real property in Indiana, shall begin July 1, 2009, and each fifth year~~  
4 ~~thereafter. Each reassessment under this subsection:~~

5           ~~(1) shall be completed on or before March 1 of the year that~~  
6 ~~succeeds by two (2) years the year in which the general~~  
7 ~~reassessment begins; and~~

8           ~~(2) shall be the basis for taxes payable in the year following the~~  
9 ~~year in which the general assessment is to be completed.~~

10          (c) ~~In order to ensure that assessing officials are prepared for a~~  
11 ~~general reassessment of real property, the department of local~~  
12 ~~government finance shall give adequate advance notice of the general~~  
13 ~~reassessment to the assessing officials of each county.~~

14          **(b) A county may submit a reassessment plan that provides for**  
15 **reassessing more than twenty percent (20%) of all parcels of real**  
16 **property in the county in a particular year. A plan may provide**  
17 **that all parcels are to be reassessed in one (1) year. However, a**  
18 **plan must cover a five (5) year period and provide that at least**  
19 **twenty percent (20%) of all parcels will be reassessed each year**  
20 **during the five (5) year period. Each group of parcels must contain**  
21 **approximately an equal percentage of the parcels within each class**  
22 **of real property in the county. All real property in each group of**  
23 **parcels shall be reassessed under the county's reassessment plan**  
24 **once during each reassessment cycle.**

25          **(c) The reassessment of the first group of parcels under a**  
26 **county's reassessment plan shall begin on July 1, 2010, and shall be**  
27 **completed on or before March 1, 2011.**

28          SECTION 9. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005,  
29 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JANUARY 1, 2010]: Sec. 4.5. (a) The department of local government  
31 finance shall adopt rules establishing a system for annually adjusting  
32 the assessed value of real property to account for changes in value in  
33 those years since a ~~general reassessment of~~ **under a county's**  
34 **reassessment plan for the property** last took effect.

35          (b) Subject to subsection (e), the system must be applied to adjust  
36 assessed values beginning with the 2006 assessment date and each year  
37 thereafter that is not a year in which a reassessment **under the**  
38 **county's reassessment plan for the property** becomes effective.



(c) The rules adopted under subsection (a) must include the following characteristics in the system:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

(e) In making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection (a), the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average.

SECTION 10. IC 6-1.1-4-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.6. The following apply to a county that is more than twelve (12) months behind in submitting certified net assessed valuations to the department of local government finance:**

**(1) The county shall have a trending factor based on property class and location developed and applied to the assessed values of properties within the county. The trending factor shall be applied to expedite the property assessment to the property tax billing cycle so that the county may achieve current and regular property tax assessments and property tax billing.**

**(2) The department of local government finance shall develop**



the trending factors under this section. The trending factors must be derived from ratio studies or other market analyses, such as sales disclosure forms or government studies, as determined by the department of local government finance.

(3) The trending factors shall be provided by the department of local government finance to the county assessor for application to the assessed values of the properties in the county as directed by the department of local government finance.

(4) Trending factors may be developed and applied under this section to the assessed values of properties within a county more than once if the county is more than twelve (12) months behind in submitting certified net assessed valuations to the department of local government finance after a previous application under this section of trending factors to properties in the county.

SECTION 11. IC 6-1.1-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) A petition for the reassessment of a real property situated within a township **group designated under a county's reassessment plan** may be filed with the department of local government finance ~~on or before March 31st~~ of any year which is not a general election year and in which no general reassessment of real property is made: **not later than forty-five (45) days after notice of assessment. A petition for reassessment of real property applies only to the most recent real property assessment date.**

(b) The petition for reassessment must be signed by ~~not less than the following percentage of all the owners of taxable~~ the lesser of one **hundred (100)** real property ~~who reside in the township; owners of~~ **parcels in the group or five percent (5%) of real property owners of parcels in the group.**

(1) ~~fifteen percent (15%) for a township which does not contain an incorporated city or town;~~

(2) ~~five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;~~

(3) ~~four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five~~



1       thousand (5,000) but not exceeding ten thousand (10,000);  
 2       (4) three percent (3%) for a township containing all or part of an  
 3       incorporated city which has a population of more than ten  
 4       thousand (10,000) but not exceeding fifty thousand (50,000);  
 5       (5) two percent (2%) for a township containing all or part of an  
 6       incorporated city which has a population of more than fifty  
 7       thousand (50,000) but not exceeding one hundred fifty thousand  
 8       (150,000); or  
 9       (6) one percent (1%) for a township containing all or part of an  
 10       incorporated city which has a population of more than one  
 11       hundred fifty thousand (150,000).

12       The signatures on the petition must be verified by the oath of one (1)  
 13       or more of the signers. ~~And,~~ A certificate of the county auditor stating  
 14       that the signers constitute the required number of ~~resident~~ owners of  
 15       taxable real property **of the township in the group of parcels** must  
 16       accompany the petition.

17       **(c) Upon receipt of a petition under subsection (a), the**  
 18       **department of local government finance may order a reassessment**  
 19       **under section 9 of this chapter or conduct a reassessment under**  
 20       **section 31.5 of this chapter.**

21       SECTION 12. IC 6-1.1-4-6 IS AMENDED TO READ AS  
 22       FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. If the  
 23       department of local government finance determines that a petition filed  
 24       under section 5 of this chapter has been signed by the required number  
 25       of petitioners and that the present assessed value of any real property  
 26       is inequitable, the department of local government finance shall order  
 27       a reassessment of the real property ~~which has been inequitably~~  
 28       ~~assessed:~~ **in the group for which the petition was filed.** The order  
 29       shall specify the time within which the reassessment shall be completed  
 30       and the date on which the reassessment shall become effective.

31       SECTION 13. IC 6-1.1-4-9 IS AMENDED TO READ AS  
 32       FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. In order to  
 33       maintain a just and equitable valuation of real property, the department  
 34       of local government finance may adopt a resolution declaring its belief  
 35       that it is necessary to reassess all or a portion of the real property  
 36       located within this state. If the department of local government finance  
 37       adopts a reassessment resolution and if ~~either a township or a larger~~  
 38       ~~area is one (1) or more groups of parcels under the county's~~



1 **reassessment plan** are involved, the department shall hold a hearing  
 2 concerning the necessity for the reassessment at the courthouse of the  
 3 county in which the property is located. The department of local  
 4 government finance shall give notice of the time and place of the  
 5 hearing in the manner provided in section 10 of this chapter. After the  
 6 hearing, or if the area involved is ~~less than a township~~, **only one (1)**  
 7 **group of parcels under the county's reassessment plan**, after the  
 8 adoption of the resolution of the department of local government  
 9 finance, the department may order any reassessment it deems  
 10 necessary. The order shall specify the time within which the  
 11 reassessment must be completed and the date the reassessment will  
 12 become effective.

13 SECTION 14. IC 6-1.1-4-13.6, AS AMENDED BY P.L.146-2008,  
 14 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JANUARY 1, 2010]: Sec. 13.6. (a) The ~~township assessor, or the~~  
 16 ~~county assessor if there is no township assessor for the township~~, shall  
 17 determine the values of all classes of commercial, industrial, and  
 18 residential land (including farm homesites) in the ~~township or~~ county  
 19 using guidelines determined by the department of local government  
 20 finance. Not later than November 1, ~~of the year preceding the year in~~  
 21 ~~which a general reassessment becomes effective; 2010, and every fifth~~  
 22 **year thereafter**, the assessor determining the values of land shall  
 23 submit the values to the county property tax assessment board of  
 24 appeals. ~~Not later than December 1 of the year, preceding the year in~~  
 25 ~~which a general reassessment becomes effective; the county property~~  
 26 ~~tax assessment board of appeals shall hold a public hearing in the~~  
 27 ~~county concerning those values. The property tax assessment board of~~  
 28 ~~appeals shall give notice of the hearing in accordance with IC 5-3-1.~~  
 29 ~~and shall hold the hearing after March 31 and before December 1 of the~~  
 30 ~~year, preceding the year in which the general reassessment under~~  
 31 ~~section 4 of this chapter becomes effective.~~

32 (b) The county property tax assessment board of appeals shall  
 33 review the values submitted under subsection (a) and may make any  
 34 modifications it considers necessary to provide uniformity and equality.  
 35 The county property tax assessment board of appeals shall coordinate  
 36 the valuation of property adjacent to the boundaries of the county with  
 37 the county property tax assessment boards of appeals of the adjacent  
 38 counties using the procedures adopted by rule under IC 4-22-2 by the



department of local government finance. If the county assessor fails to submit **determine** land values under subsection (a) to the county property tax assessment board of appeals before the November 1 of the year before the date the general reassessment under section 4 of this chapter becomes effective, **deadline**, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the general reassessment becomes land values become effective, the department of local government finance shall determine the values.

(c) The county assessor shall notify all township assessors in the county (if any) of the values. ~~as modified by the county property tax assessment board of appeals.~~ Assessing officials shall use the values determined under this section.

(d) A petition for the review of the land values determined by a county assessor under this section may be filed with the department of local government finance not later than forty-five (45) days after the county assessor makes the determination of the land values. The petition must be signed by at least the lesser of:

- (1) one hundred (100) property owners in the county; or
- (2) five percent (5%) of the property owners in the county.

(e) Upon receipt of a petition for review under subsection (d), the department of local government finance:

- (1) shall review the land values determined by the county assessor; and
  - (2) after a public hearing, shall:
    - (A) approve;
    - (B) modify; or
    - (C) disapprove;
- the land values.

SECTION 15. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 16. (a) For purposes of making a general reassessment of real property under a county's reassessment plan or annual adjustments under section 4.5 of this chapter, a township assessor (if any) and a county assessor may employ:

- (1) deputies;
- (2) employees; and



(3) technical advisors who are:

(A) qualified to determine real property values;

(B) professional appraisers certified under 50 IAC 15; and

(C) employed either on a full-time or a part-time basis, subject to sections 18.5 and 19.5 of this chapter.

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.

SECTION 16. IC 6-1.1-4-17, AS AMENDED BY P.L.146-2008, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a county assessor may employ professional appraisers as technical advisors for assessments in all townships in the county. The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract **and any addendum to the employment contract.**

(b) A decision by a county assessor to not employ a professional appraiser as a technical advisor in a ~~general~~ reassessment **under a county's reassessment plan** is subject to approval by the department of local government finance.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 17. IC 6-1.1-4-19.5, AS AMENDED BY P.L.146-2008, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.

(b) The standard contract or contract provisions must contain:

(1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;

(2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(3) a provision requiring the appraiser, or appraisal firm, to make periodic reports to the county assessor;

(4) a provision stipulating the manner in which, and the time



intervals at which, the periodic reports referred to in subdivision (3) of this subsection are to be made;

(5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;

(6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance;

(7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract; and

(8) a provision stating that the department of local government finance is a party to the contract **and any addendum to the contract.**

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to this chapter.

(c) In order to comply with the duties assigned to it by this section, the department of local government finance may develop:

(1) one (1) or more model contracts;

(2) one (1) contract with alternate provisions; or

(3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

SECTION 18. IC 6-1.1-4-20, AS AMENDED BY P.L.146-2008, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 20. The department of local government finance may establish a period, with respect to each ~~general~~ reassessment **under a county's reassessment plan**, that is the only time during which a county assessor may enter into a contract with a professional appraiser. ~~The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, a county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.~~

SECTION 19. IC 6-1.1-4-21, AS AMENDED BY P.L.146-2008, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JANUARY 1, 2010]: Sec. 21. (a) If during a period of general reassessment, a county assessor personally makes the real property appraisals, The appraisals of the parcels **in a group under a county's reassessment plan** and subject to taxation must be completed as follows:

(1) The appraisal of ~~one-fourth (1/4)~~ **one-third (1/3)** of the parcels shall be completed before ~~December~~ **October** 1 of the year in which the ~~general~~ **group's** reassessment **under the county reassessment plan** begins.

(2) The appraisal of ~~one-half (1/2)~~ **two-thirds (2/3)** of the parcels shall be completed before ~~May~~ **January** 1 of the year following the year in which the ~~general~~ **group's** reassessment **under the county reassessment plan** begins.

(3) The appraisal of ~~three-fourths (3/4)~~ of the parcels shall be completed before ~~October 1~~ of the year following the year in which the general reassessment begins.

~~(4)~~ **(3)** The appraisal of all the parcels shall be completed before March 1 of the ~~second~~ year following the year in which the ~~general~~ **group's** reassessment **under the county reassessment plan** begins.

(b) If a county assessor employs a professional appraiser or a professional appraisal firm to make real property appraisals during a period of general reassessment, **of a group of parcels under a county's reassessment plan**, the professional appraiser or appraisal firm must file appraisal reports with the county assessor as follows:

(1) The appraisals for ~~one-fourth (1/4)~~ of the parcels shall be reported before ~~December 1~~ of the year in which the general reassessment begins.

(2) The appraisals for ~~one-half (1/2)~~ of the parcels shall be reported before ~~May 1~~ of the year following the year in which the general reassessment begins.

(3) The appraisals for ~~three-fourths (3/4)~~ of the parcels shall be reported before ~~October 1~~ of the year following the year in which the general reassessment begins.

(4) The appraisals for all the parcels shall be reported before ~~March 1~~ of the ~~second~~ year following the year in which the general reassessment begins.

**by the dates set forth in subsection (a).** However, the reporting



requirements prescribed in this subsection do not apply if the contract under which the professional appraiser, or appraisal firm, is employed prescribes different reporting procedures.

SECTION 20. IC 6-1.1-4-22, AS AMENDED BY P.L.146-2008, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 22. (a) If any assessing official assesses or reassesses any real property under this article, ~~the official shall give notice to the taxpayer and the county assessor, by mail, a tax statement under IC 6-1.1-22-8.1 or, if applicable, a reconciling property tax statement under IC 6-1.1-22.5 is notice to the taxpayer~~ of the amount of the assessment or reassessment.

(b) ~~During a period of general reassessment, each township or county assessor shall mail the notice required by this section~~ **For real property with new additions or improvements since the previous assessment date, if any assessing official assesses or reassesses the real property under this article, the official shall give notice (separate from the notice required by subsection (a)) to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment** within ninety (90) days after the assessor:

(1) completes the appraisal of a parcel; or

(2) receives a report for a parcel from a professional appraiser or professional appraisal firm.

SECTION 21. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4) of the remainder of:

(1) the estimated costs referred to in section 28.5(a) of this chapter; minus

(2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.

(c) With respect to a ~~general~~ reassessment of real property ~~that is to~~



commence on July 1, 2014, and each fifth year thereafter, under a county's reassessment plan after December 31, 2009, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the four (4) years preceding that each year, levy against all the taxable property in the county an amount equal to one-fifth (1/5) of the estimated costs of the general reassessment under section 28.5 of this chapter.

(d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

(e) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

(1) a general reassessment of a group of parcels under a county's reassessment plan; or

(2) making annual adjustments under section 4.5 of this chapter; has changed.

(f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:

(1) a general reassessment of a group of parcels under a county's reassessment plan;

(2) verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or

(3) processing annual adjustments under section 4.5 of this chapter.

The assessor must document the needs and reasons for the increased funding.

(g) If the county fiscal body denies a petition under subsection (f), the county assessor may appeal to the department of local government finance. The department of local government finance shall:

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

SECTION 22. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

(1) the general reassessment of real property under a county's



1        **reassessment plan**, including the computerization of assessment  
2 records;

3        (2) payments to assessing officials and hearing officers for county  
4 property tax assessment boards of appeals under IC 6-1.1-35.2;

5        (3) the development or updating of detailed soil survey data by  
6 the United States Department of Agriculture or its successor  
7 agency;

8        (4) the updating of plat books;

9        (5) payments for the salary of permanent staff or for the  
10 contractual services of temporary staff who are necessary to assist  
11 assessing officials;

12        (6) making annual adjustments under section 4.5 of this chapter;  
13 and

14        (7) the verification under 50 IAC 21-3-2 of sales disclosure forms  
15 forwarded to:

16            (A) the county assessor; or

17            (B) township assessors (if any);

18        under IC 6-1.1-5.5-3.

19 Money in a property tax reassessment fund may not be transferred or  
20 reassigned to any other fund and may not be used for any purposes  
21 other than those set forth in this section.

22        (b) All counties shall use modern, detailed soil maps in the ~~general~~  
23 reassessment of agricultural land.

24        (c) The county treasurer of each county shall, in accordance with  
25 IC 5-13-9, invest any money accumulated in the property reassessment  
26 fund. Any interest received from investment of the money shall be paid  
27 into the property reassessment fund.

28        (d) An appropriation under this section must be approved by the  
29 fiscal body of the county after the review and recommendation of the  
30 county assessor. However, in a county with a township assessor in  
31 every township, the county assessor does not review an appropriation  
32 under this section, and only the fiscal body must approve an  
33 appropriation under this section.

34        SECTION 23. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008,  
35 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JANUARY 1, 2010]: Sec. 29. (a) The expenses of a reassessment,  
37 except those incurred by the department of local government finance  
38 in performing its normal functions, shall be paid by the county in which



the reassessed property is situated. These expenses, except for the expenses of a ~~general~~ reassessment **of a group of parcels under a county's reassessment plan**, shall be paid from county funds. The county auditor shall issue warrants for the payment of reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

(b) An order of the department of local government finance directing the reassessment of property shall contain an estimate of the cost of making the reassessment. The assessing officials in the county, the county property tax assessment board of appeals, and the county auditor may not exceed the amount so estimated by the department of local government finance.

SECTION 24. IC 6-1.1-4-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 30. In making any assessment or reassessment of real property in the interim between ~~general~~ reassessments **of that real property under a county's reassessment plan**, the rules, regulations, and standards for assessment are the same as those used **for that real property** in the preceding ~~general~~ reassessment **of that group of parcels under a county's reassessment plan**.

SECTION 25. IC 6-1.1-4-31, AS AMENDED BY P.L.146-2008, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

- (1) a ~~general~~ reassessment of property **under a county's reassessment plan**;
- (2) work required to be performed by local officials under 50 IAC 21; and
- (3) other property assessment activities in the county, as determined by the department.

The department of local government finance may inform township assessors (if any), county assessors, and the presidents of county councils in writing if its check reveals that ~~the general~~ a reassessment or other property assessment activities are not being properly conducted, work required to be performed by local officials under 50 IAC 21 is not being properly conducted, or property assessments are not being properly made.

(b) The failure of the department of local government finance to



inform local officials under subsection (a) shall not be construed as an indication by the department that:

(1) the ~~general~~ reassessment **under a county's reassessment plan** or other property assessment activities are being properly conducted;

(2) work required to be performed by local officials under 50 IAC 21 is being properly conducted; or

(3) property assessments are being properly made.

(c) If the department of local government finance:

(1) determines under subsection (a) that a ~~general~~ reassessment **under a county's reassessment plan** or other assessment activities for a ~~general reassessment year or any other year~~ are not being properly conducted; and

(2) informs:

(A) the township assessor (if any) of each affected township;

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may order a state conducted assessment or reassessment under section 31.5 of this chapter to begin not less than sixty (60) days after the date of the notice under subdivision (2). ~~If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the state conducted assessment or reassessment that the general reassessment or other assessment activities for the general reassessment are being properly conducted, the department may rescind the order.~~

(d) If the department of local government finance:

(1) determines under subsection (a) that work required to be performed by local officials under 50 IAC 21 is not being properly conducted; and

(2) informs:

(A) the township assessor of each affected township (if any);

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may conduct the work or contract to have the work conducted to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the



1 period between the date of the notice under subdivision (2) and the  
 2 proposed date for beginning the work or having the work conducted  
 3 that work required to be performed by local officials under 50 IAC 21  
 4 is being properly conducted, the department may rescind the order.

5 (e) If the department of local government finance contracts to have  
 6 work conducted under subsection (d), the department shall forward the  
 7 bill for the services to the county and the county shall pay the bill under  
 8 the same procedures that apply to county payments of bills for  
 9 assessment or reassessment services under section 31.5 of this chapter.

10 (f) A county council president who is informed by the department  
 11 of local government finance under subsection (a) shall provide the  
 12 information to the board of county commissioners. A board of county  
 13 commissioners that receives information under this subsection may  
 14 adopt an ordinance to do either or both of the following:

15 (1) Determine that:

16 (A) the information indicates that the county assessor has  
 17 failed to perform adequately the duties of county assessor; and

18 (B) by that failure the county assessor forfeits the office of  
 19 county assessor and is subject to removal from office by an  
 20 information filed under IC 34-17-2-1(b).

21 (2) Determine that:

22 (A) the information indicates that one (1) or more township  
 23 assessors in the county have failed to perform adequately the  
 24 duties of township assessor; and

25 (B) by that failure the township assessor or township assessors  
 26 forfeit the office of township assessor and are subject to  
 27 removal from office by an information filed under  
 28 IC 34-17-2-1(b).

29 (g) A city-county council that is informed by the department of local  
 30 government finance under subsection (a) may adopt an ordinance  
 31 making the determination or determinations referred to in subsection  
 32 (f).

33 SECTION 26. IC 6-1.1-4-31.5, AS AMENDED BY P.L.146-2008,  
 34 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JANUARY 1, 2010]: Sec. 31.5. (a) As used in this section,  
 36 "department" refers to the department of local government finance.

37 (b) If the department makes a determination and informs local  
 38 officials under section 31(c) of this chapter, the department may order



1 a state conducted assessment or reassessment in the county subject to  
2 the time limitation in that subsection.

3 (c) If the department orders a state conducted assessment or  
4 reassessment in a county, the department shall assume the duties of the  
5 county assessor. Notwithstanding sections 15 and 17 of this chapter, a  
6 county assessor subject to an order issued under this section may not  
7 assess property or have property assessed for the assessment or ~~general~~  
8 reassessment **under a county's reassessment plan**. Until the state  
9 conducted assessment or reassessment is completed under this section,  
10 the assessment or reassessment duties of the county assessor are  
11 limited to providing the department or a contractor of the department  
12 the support and information requested by the department or the  
13 contractor.

14 (d) Before assuming the duties of a county assessor, the department  
15 shall transmit a copy of the department's order requiring a state  
16 conducted assessment or reassessment to the county assessor, the  
17 county fiscal body, the county auditor, and the county treasurer. Notice  
18 of the department's actions must be published one (1) time in a  
19 newspaper of general circulation published in the county. The  
20 department is not required to conduct a public hearing before taking  
21 action under this section.

22 (e) A county assessor subject to an order issued under this section  
23 shall, at the request of the department or the department's contractor,  
24 make available and provide access to all:

- 25 (1) data;
- 26 (2) records;
- 27 (3) maps;
- 28 (4) parcel record cards;
- 29 (5) forms;
- 30 (6) computer software systems;
- 31 (7) computer hardware systems; and
- 32 (8) other information;

33 related to the assessment or reassessment of real property in the county.  
34 The information described in this subsection must be provided at no  
35 cost to the department or the contractor of the department. A failure to  
36 provide information requested under this subsection constitutes a  
37 failure to perform a duty related to an assessment or a ~~general~~  
38 reassessment **under a county's reassessment plan** and is subject to



1 IC 6-1.1-37-2.

2 (f) The department may enter into a contract with a professional  
3 appraising firm to conduct an assessment or reassessment under this  
4 section. If a county entered into a contract with a professional  
5 appraising firm to conduct the county's assessment or reassessment  
6 before the department orders a state conducted assessment or  
7 reassessment in the county under this section, the contract:

8 (1) is as valid as if it had been entered into by the department; and

9 (2) shall be treated as the contract of the department.

10 (g) After receiving the report of assessed values from the appraisal  
11 firm acting under a contract described in subsection (f), the department  
12 shall give notice to the taxpayer and the county assessor, by mail, of the  
13 amount of the assessment or reassessment. The notice of assessment or  
14 reassessment:

15 (1) is subject to appeal by the taxpayer under section 31.7 of this  
16 chapter; and

17 (2) must include a statement of the taxpayer's rights under section  
18 31.7 of this chapter.

19 (h) The department shall forward a bill for services provided under  
20 a contract described in subsection (f) to the auditor of the county in  
21 which the state conducted reassessment occurs. The county shall pay  
22 the bill under the procedures prescribed by subsection (i).

23 (i) A county subject to an order issued under this section shall pay  
24 the cost of a contract described in subsection (f), without appropriation,  
25 from the county property reassessment fund. A contractor may  
26 periodically submit bills for partial payment of work performed under  
27 the contract. Notwithstanding any other law, a contractor is entitled to  
28 payment under this subsection for work performed under a contract if  
29 the contractor:

30 (1) submits to the department a fully itemized, certified bill in the  
31 form required by IC 5-11-10-1 for the costs of the work performed  
32 under the contract;

33 (2) obtains from the department:

34 (A) approval of the form and amount of the bill; and

35 (B) a certification that the billed goods and services have been  
36 received and comply with the contract; and

37 (3) files with the county auditor:

38 (A) a duplicate copy of the bill submitted to the department;



1 (B) proof of the department's approval of the form and amount  
2 of the bill; and

3 (C) the department's certification that the billed goods and  
4 services have been received and comply with the contract.

5 The department's approval and certification of a bill under subdivision  
6 (2) shall be treated as conclusively resolving the merits of a contractor's  
7 claim. Upon receipt of the documentation described in subdivision (3),  
8 the county auditor shall immediately certify that the bill is true and  
9 correct without further audit and submit the claim to the county  
10 executive. The county executive shall allow the claim, in full, as  
11 approved by the department, without further examination of the merits  
12 of the claim in a regular or special session that is held not less than  
13 three (3) days and not more than seven (7) days after the date the claim  
14 is certified by the county fiscal officer if the procedures in IC 5-11-10-2  
15 are used to approve the claim or the date the claim is placed on the  
16 claim docket under IC 36-2-6-4 if the procedures in IC 36-2-6-4 are  
17 used to approve the claim. Upon allowance of the claim by the county  
18 executive, the county auditor shall immediately issue a warrant or  
19 check for the full amount of the claim approved by the department.  
20 Compliance with this subsection constitutes compliance with  
21 IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and  
22 payment of a claim in compliance with this subsection is not subject to  
23 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply  
24 to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies  
25 to a fiscal officer who pays a claim in compliance with this subsection.

26 (j) Notwithstanding IC 4-13-2, a period of seven (7) days is  
27 permitted for each of the following to review and act under IC 4-13-2  
28 on a contract of the department entered into under this section:

29 (1) The commissioner of the Indiana department of  
30 administration.

31 (2) The director of the budget agency.

32 (3) The attorney general.

33 (k) If money in the county's property reassessment fund is  
34 insufficient to pay for an assessment or reassessment conducted under  
35 this section, the department may increase the tax rate and tax levy of  
36 the county's property reassessment fund to pay the cost and expenses  
37 related to the assessment or reassessment.

38 (l) The department or the contractor of the department shall use the



land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessing officials of the land values determined under this subsection.

(m) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (i) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (i) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(n) The department, upon receiving notice under subsection (m) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (m)(1) or (m)(2); or

(B) a person or an entity acted or failed to act as described in subsection (m)(3); and



(2) provide to the treasurer of state the department's approval under subsection (i)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (m).

(o) Upon receipt of the department's approval of a contractor's bill under subsection (n), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions of admissions taxes or wagering taxes.

(p) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, or any other law to a county described in a notice provided under subsection (m) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (o). Money shall be withheld from any source payable to the county.

(q) Compliance with subsections (m) through (p) constitutes compliance with IC 5-11-10.

(r) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (m) through (p). This subsection and subsections (m) through (p) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(s) The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 27. IC 6-1.1-4-42 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: **Sec. 42. (a) This section applies to assessment dates after January 15, 2009.**

**(b) As used in this section, "golf course" means an area of land and yard improvements that are predominately used to play the game of golf. A golf course consists of a series of holes, each consisting of a teeing area, fairway, rough and other hazards, and the green with the pin and cup.**

**(c) The true tax value of real property regularly used as a golf course is the lowest valuation determined by applying the income capitalization appraisal approach. The income capitalization approach used to determine the true tax value of a golf course**



1       **must:**

- 2               **(1) incorporate an applicable income capitalization method**  
 3               **and appropriate capitalization rates that are developed and**  
 4               **used in computations that lead to an indication of value**  
 5               **commensurate with the risks for the subject property use;**  
 6               **(2) provide for the uniform and equal assessment of golf**  
 7               **courses of similar grade quality and play length; and**  
 8               **(3) exclude the value of personal property, intangible**  
 9               **property, and income derived from personal or intangible**  
 10              **property.**

11              **(d) For assessment dates after January 15, 2009, and before**  
 12              **March 1, 2012, a township assessor (if any) or the county assessor**  
 13              **shall gather and process information from the owner of a golf**  
 14              **course to carry out this section in accordance with the rules**  
 15              **adopted by the department of local government finance under**  
 16              **IC 4-22-2.**

17              **(e) For assessment dates after February 28, 2012, the**  
 18              **department of local government finance shall, by rules adopted**  
 19              **under IC 4-22-2, establish uniform income capitalization tables and**  
 20              **procedures to be used for the assessment of golf courses. The**  
 21              **department of local government finance may rely on analysis**  
 22              **conducted by a state educational institution to develop the income**  
 23              **capitalization tables and procedures required under this section.**  
 24              **Assessing officials shall use the tables and procedures adopted by**  
 25              **the department of local government finance to assess, reassess, and**  
 26              **annually adjust the assessed value of golf courses.**

27              **(f) The department of local government finance may prescribe**  
 28              **procedures, forms, and due dates for the collection from the**  
 29              **owners or operators of golf courses of the necessary earnings,**  
 30              **income, profits, losses, and expenditures data necessary to carry**  
 31              **out this section. An owner or operator of a golf course shall comply**  
 32              **with the procedures and reporting schedules prescribed by the**  
 33              **department of local government finance.**

34              SECTION 28. IC 6-1.1-5.5-2, AS AMENDED BY P.L.144-2008,  
 35              SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36              JULY 1, 2009]: Sec. 2. (a) As used in this chapter, "conveyance  
 37              document" means any of the following:

- 38              (1) Any of the following that purports to transfer a real property



- 1 interest for valuable consideration:
- 2 (A) A document.
- 3 (B) A deed.
- 4 (C) A contract of sale.
- 5 (D) An agreement.
- 6 (E) A judgment.
- 7 (F) A lease that includes the fee simple estate and is for a
- 8 period in excess of ninety (90) years.
- 9 (G) A quitclaim deed serving as a source of title.
- 10 (H) Another document presented for recording.
- 11 (2) Documents for compulsory transactions as a result of
- 12 foreclosure or express threat of foreclosure, divorce, court order,
- 13 condemnation, or probate.
- 14 (3) Documents involving the partition of land between tenants in
- 15 common, joint tenants, or tenants by the entirety.
- 16 (b) The term does not include the following:
- 17 (1) Security interest documents such as mortgages and trust
- 18 deeds.
- 19 (2) Leases that are for a term of less than ninety (90) years.
- 20 (3) Agreements and other documents for mergers, consolidations,
- 21 and incorporations involving solely nonlisted stock.
- 22 (4) Quitclaim deeds not serving as a source of title.
- 23 **(5) Public utility or governmental easements or right-of-way.**
- 24 SECTION 29. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.228-2005,
- 25 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 UPON PASSAGE]: Sec. 4.7. (a) The assessment training and
- 27 administration fund is established for the purpose of receiving fees
- 28 deposited under section 4 of this chapter. Money in the fund may be
- 29 used by:
- 30 (1) the department of local government finance:
- 31 **(A)** to cover expenses incurred in the development and
- 32 administration of programs for the training of assessment
- 33 officials and employees of the department, including the
- 34 examination and certification program required by
- 35 IC 6-1.1-35.5; **and**
- 36 **(B) for data base management expenses; or**
- 37 (2) the Indiana board to:
- 38 (A) conduct appeal activities; or



1 (B) pay for appeal services.

2 (b) The treasurer of state shall invest the money in the fund not  
3 currently needed to meet the obligations of the fund in the same  
4 manner as other public money may be invested.

5 (c) Money in the fund at the end of a state fiscal year does not revert  
6 to the state general fund.

7 SECTION 30. IC 6-1.1-5.5-5, AS AMENDED BY P.L.144-2008,  
8 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JANUARY 1, 2009 (RETROACTIVE)]: Sec. 5. (a) The department of  
10 local government finance shall prescribe a sales disclosure form for use  
11 under this chapter. The form prescribed by the department of local  
12 government finance must include at least the following information:

- 13 (1) The key number (as defined in IC 6-1.1-1-8.5) of each parcel.
- 14 (2) With respect to each parcel, whether the entire parcel is being  
15 conveyed.
- 16 (3) The address of each improved parcel.
- 17 (4) The date of the execution of the form.
- 18 (5) The date the property was transferred.
- 19 (6) Whether the transfer includes an interest in land or  
20 improvements, or both.
- 21 (7) Whether the transfer includes personal property.
- 22 (8) An estimate of the value of any personal property included in  
23 the transfer.
- 24 (9) The name, address, and telephone number of:  
25 (A) each transferor and transferee; and  
26 (B) the person that prepared the form.
- 27 (10) The mailing address to which the property tax bills or other  
28 official correspondence should be sent.
- 29 (11) The ownership interest transferred.
- 30 (12) The classification of the property (as residential, commercial,  
31 industrial, agricultural, vacant land, or other).
- 32 (13) Subject to subsection (c), the total price actually paid or  
33 required to be paid in exchange for the conveyance, whether in  
34 terms of money, property, a service, an agreement, or other  
35 consideration, but excluding tax payments and payments for legal  
36 and other services that are incidental to the conveyance.
- 37 (14) The terms of seller provided financing, such as interest rate,  
38 points, type of loan, amount of loan, and amortization period, and



1 whether the borrower is personally liable for repayment of the  
2 loan.

3 (15) Any family or business relationship existing between the  
4 transferor and the transferee.

5 (16) A legal description of each parcel subject to the conveyance.

6 (17) Whether the transferee is using the form to claim ~~the~~  
7 **following one (1) or more deductions under IC 6-1.1-12-44** for  
8 property taxes first due and payable in a calendar year after 2008.

9 ~~(A) One (1) or more deductions under IC 6-1.1-12-44;~~

10 ~~(B) The homestead credit under IC 6-1.1-20.9-3.5;~~

11 (18) If the transferee uses the form to claim the ~~homestead credit~~  
12 **standard deduction** under ~~IC 6-1.1-20.9-3.5;~~ **IC 6-1.1-12-37**, the  
13 name of any other county and township in which the transferee of  
14 residential real property owns or is buying residential real  
15 property.

16 (19) Other information as required by the department of local  
17 government finance to carry out this chapter.

18 If a form under this section includes the telephone number or the Social  
19 Security number of a party, the telephone number or the Social Security  
20 number is confidential.

21 (b) The instructions for completing the form described in subsection

22 (a) must include the information described in IC 6-1.1-12-43(c)(1).

23 (c) If the conveyance includes more than one (1) parcel as described  
24 in section 3(h) of this chapter, the form:

25 (1) is not required to include the price referred to in subsection

26 (a)(13) for each of the parcels subject to the conveyance; and

27 (2) may state a single combined price for all of those parcels.

28 SECTION 31. IC 6-1.1-7-15 IS ADDED TO THE INDIANA CODE  
29 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
30 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 15. (a) This section**  
31 **applies to a mobile home or manufactured home:**

32 **(1) that has deteriorated to a degree that it can no longer**  
33 **provide suitable protection from the elements as to be used as**  
34 **a primary place of residence;**

35 **(2) that has little or no value as a structure to be rehabilitated**  
36 **for use as a primary place of residence;**

37 **(3) on which personal property tax liability has been imposed**  
38 **in an amount that exceeds the estimated resale value of the**



1           mobile home or manufactured home; and

2           (4) that has been abandoned in a mobile home community  
3           licensed under IC 16-41-27.

4           (b) The holder of the title of a mobile home or manufactured  
5           home described in subsection (a) may submit a written request to  
6           the county assessor for the county where the mobile home or  
7           manufactured home is located requesting that personal property  
8           tax liability imposed on the mobile home or manufactured home be  
9           waived. If the county assessor determines that the property that is  
10          the subject of the request meets the requirements in subsection (a),  
11          the county assessor shall send to the applicant a letter that waives  
12          the property taxes, special assessments, interest, penalties, and  
13          costs assessed against the property under this article, subject to  
14          compliance with subsection (c). The county assessor shall deliver  
15          a copy of the letter to the county auditor and the county treasurer.

16          (c) Upon receipt of a letter waiving property taxes imposed on  
17          a mobile home or manufactured home, the holder of the title of the  
18          property that is the subject of a letter issued under subsection (b)  
19          shall:

20               (1) deliver a signed statement to the county assessor stating  
21               that the mobile home or manufactured home:

22                     (A) will be dismantled or destroyed either at its present site  
23                     or at a remote site; and

24                     (B) will not be used again as a dwelling or other shelter;  
25                     and

26               (2) dismantle or destroy the mobile home or manufactured  
27               home and not use the mobile home or manufactured home as  
28               a structure after the issuance date of the letter waiving  
29               property taxes.

30          (d) The county auditor shall remove from the tax duplicate the  
31          property taxes, special assessments, interest, penalties, and costs  
32          for which a waiver is granted under this section.

33          SECTION 32. IC 6-1.1-8-7 IS AMENDED TO READ AS  
34          FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.  
35          7. (a) The fixed property of a bus company consists of ~~real property and~~  
36          ~~tangible personal property which is located within or on the real~~  
37          ~~property.~~

38          (b) A bus company's property which is not described in subsection



(a) is indefinite-situs distributable property. This property includes, but is not limited to, buses and other mobile equipment. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in or through which the company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the bus company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 33. IC 6-1.1-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

8. (a) The fixed property of an express company consists of real property, ~~and tangible personal property which has a definite situs~~. The remainder of the express company's property is indefinite-situs distributable property.

(b) The department of local government finance shall apportion and distribute the assessed valuation of an express company's indefinite-situs distributable property among the taxing districts in which the fixed property of the company is located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the express company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the value of the company's fixed property which is located in the taxing district, and the denominator of which is the value of the company's fixed property which is located in this state.

SECTION 34. IC 6-1.1-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

9. (a) The fixed property of a light, heat, or power company consists of

~~(1) automotive and other mobile equipment;~~

~~(2) office furniture and fixtures;~~

~~(3) other tangible personal property which is not used as part of the company's production plant, transmission system, or distribution system; and~~

~~(4) real property which is not part of the company's right-of-ways,~~



1 transmission system, or distribution system.

2 (b) A light, heat, or power company's property which is not  
3 described as fixed property in subsection (a) of this section is  
4 definite-situs distributable property. This property includes, but is not  
5 limited to, turbo-generators, boilers, transformers, transmission lines,  
6 distribution lines, and pipe lines.

7 SECTION 35. IC 6-1.1-8-10 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

9 10. (a) The fixed property of a pipe line company consists of  
10 ~~(1) real property which is not part of a pipe line or right-of-way of~~  
11 ~~the company. and~~  
12 ~~(2) tangible personal property which is not part of the company's~~  
13 ~~distribution system.~~

14 (b) A pipe line company's property which is not described in  
15 subsection (a) is indefinite-situs distributable property. The department  
16 of local government finance shall apportion and distribute the assessed  
17 valuation of this property among the taxing districts in which the  
18 company's pipe lines are located. The amount which the department of  
19 local government finance shall distribute to a taxing district equals the  
20 product of (1) the total assessed valuation of the pipe line company's  
21 indefinite-situs distributable property, multiplied by (2) a fraction, the  
22 numerator of which is the length of the company's pipe lines in the  
23 taxing district, and the denominator of which is the length of the  
24 company's pipe lines in this state.

25 SECTION 36. IC 6-1.1-8-11 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

27 11. (a) The fixed property of the railroad company consists of real  
28 property which is not required for the operation of the railroad. ~~and~~  
29 ~~tangible personal property which is located within or on that real~~  
30 ~~property.~~ The remaining property of the railroad company is  
31 distributable property.

32 (b) A railroad company's definite-situs distributable property  
33 consists of the company's:

- 34 (1) rights-of-way and road beds;
- 35 (2) station and depot grounds;
- 36 (3) yards, yard sites, superstructures, turntable, and turnouts;
- 37 (4) tracks;
- 38 (5) telegraph poles, wires, instruments, and other appliances,



1 which are located on the right-of-ways; and

2 (6) any other buildings or fixed situs personal property used in the  
3 operation of the railroad.

4 (c) A railroad company's property which is not described in  
5 subsection (a) or (b) is indefinite-situs distributable property. This  
6 property includes, but is not limited to, rolling stock. The department  
7 of local government finance shall apportion and distribute the assessed  
8 valuation of this property among the taxing districts in which the  
9 railroad company operates its system. The amount which the  
10 department of local government finance shall distribute to a taxing  
11 district equals the product of (1) the total assessed valuation of the  
12 railroad company's indefinite-situs distributable property, multiplied by  
13 (2) a fraction, the numerator of which is the relative value of the  
14 company's main lines, branch lines, main tracks, second main tracks,  
15 and sidetracks, including all leased lines and tracks, which are located  
16 in the taxing district, and the denominator of which is the relative value  
17 of the company's main lines, branch lines, main tracks, second main  
18 tracks, and sidetracks, including all leased lines and tracks, which are  
19 located in this state.

20 SECTION 37. IC 6-1.1-8-12 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.  
22 12. (a) The fixed property of a railroad car company consists of real  
23 property. ~~and tangible personal property which has a definite situs.~~ The  
24 remainder of the railroad car company's property is indefinite-situs  
25 distributable property.

26 (b) The department of local government finance shall assess a  
27 railroad car company's indefinite-situs distributable property on the  
28 basis of the average number of cars owned or used by the company  
29 within this state during the twelve (12) months of the calendar year  
30 preceding the year of assessment. The average number of cars within  
31 this state equals the product of:

32 (1) the sum of "M" plus "E"; multiplied by

33 (2) a fraction, the numerator of which is "N", and the denominator  
34 of which is the number two (2).

35 "M" equals the mileage traveled by the railroad car company's cars in  
36 this state divided by the mileage traveled by the company's cars both  
37 within and outside this state. "E" equals the earnings generated by the  
38 company's cars in this state divided by the earnings generated by the



1 company's cars both within and outside this state. "N" equals the total  
 2 number of cars owned or used by the company both within and outside  
 3 this state.

4 SECTION 38. IC 6-1.1-8-13 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.  
 6 13. (a) The fixed property of a sleeping car company consists of real  
 7 property. ~~and tangible personal property which has a definite situs.~~

8 (b) A sleeping car company's property which is not described in  
 9 subsection (a) is indefinite-situs distributable property. The department  
 10 of local government finance shall apportion and distribute the assessed  
 11 valuation of this property among the taxing districts in or through  
 12 which the company operates cars. The department of local government  
 13 finance shall make the apportionment in a manner which it considers  
 14 fair.

15 SECTION 39. IC 6-1.1-8-14 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

17 14. (a) The fixed property of a street railway company consists of  
 18 ~~(1) real property which is not part of the company's tracks or~~  
 19 ~~rights-of-way. and~~  
 20 ~~(2) tangible personal property which is located within or on the~~  
 21 ~~real property described in subdivision (1).~~

22 (b) A street railway company's property which is not described in  
 23 subsection (a) is distributable property. This property includes, but is  
 24 not limited to:

- 25 (1) rights-of-way of the company;
- 26 (2) tangible personal property which is located on a right-of-way
- 27 of the company; and
- 28 (3) rolling stock.

29 (c) The department of local government finance shall apportion and  
 30 distribute the assessed valuation of a street railway company's  
 31 indefinite-situs distributable property among the taxing districts in or  
 32 through which the company operates its system. The amount which the  
 33 department of local government finance shall distribute to a taxing  
 34 district equals the product of (1) the total assessed valuation of the  
 35 street railway company's indefinite-situs distributable property,  
 36 multiplied by (2) a fraction, the numerator of which is the company's  
 37 average daily regularly scheduled passenger vehicle route miles in the  
 38 taxing district, and the denominator of which is the company's average



1 daily regularly scheduled passenger vehicle route miles in this state.

2 SECTION 40. IC 6-1.1-8-15 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

4 15. (a) The fixed property of a telephone, telegraph, or cable company  
5 consists of

6 ~~(1) tangible personal property which is not used as part of the~~  
7 ~~distribution system of the company; and~~

8 ~~(2) real property which is not part of the company's rights-of-way~~  
9 ~~or distribution system.~~

10 (b) A telephone, telegraph, or cable company's property which is not  
11 described under subsection (a) is indefinite-situs distributable property.  
12 The department of local government finance shall apportion and  
13 distribute the assessed valuation of this property among the taxing  
14 districts in which the company's lines or cables, including laterals, are  
15 located. The amount which the department of local government finance  
16 shall distribute to a taxing district equals the product of (1) the total  
17 assessed valuation of the telephone, telegraph, or cable company's  
18 indefinite-situs distributable property, multiplied by (2) a fraction, the  
19 numerator of which is the length of the company's lines and cables,  
20 including laterals, which are located in the taxing district, and the  
21 denominator of which is the length of the company's lines and cables,  
22 including laterals, which are located in this state.

23 SECTION 41. IC 6-1.1-8-17 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

25 17. (a) The fixed property of a water distribution company consists of

26 ~~(1) tangible personal property which is not used as part of the~~  
27 ~~company's distribution system; and~~

28 ~~(2) real property which is not part of the company's rights-of-way~~  
29 ~~or distribution system.~~

30 A well, settling basin, or reservoir (except an impounding reservoir) is  
31 not fixed property of a water distribution company if it is used to store  
32 treated water or water in the process of treatment.

33 (b) A water distribution company's property which is not described  
34 as fixed property under subsection (a) is indefinite-situs distributable  
35 property. The department of local government finance shall apportion  
36 and distribute the assessed valuation of this property among the taxing  
37 districts in which the company's water mains, including feeder and  
38 distribution mains, are located. The amount which the department of



1 local government finance shall distribute to a taxing district equals the  
 2 product of (1) the total assessed valuation of the water distribution  
 3 company's indefinite-situs distributable property, multiplied by (2) a  
 4 fraction, the numerator of which is the length of the company's water  
 5 mains, including feeder and distribution mains, which are located in the  
 6 taxing district, and the denominator of which is the length of the  
 7 company's water mains, including feeder and distribution mains, which  
 8 are located in this state.

9 SECTION 42. IC 6-1.1-8-18 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.  
 11 18. For a public utility company which is not within one (1) of the  
 12 classes of companies whose property is described in sections 6 through  
 13 17 of this chapter, the fixed property of the company consists of real  
 14 property. ~~and tangible personal property.~~ The remainder of the  
 15 company's property is indefinite-situs distributable property. The  
 16 department of local government finance shall, in a manner which it  
 17 considers fair, apportion and distribute the assessed valuation of the  
 18 company's indefinite-situs distributable property among the taxing  
 19 districts in which the company operates its system.

20 SECTION 43. IC 6-1.1-8.5-6 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. ~~Before:~~

22 ~~(1) January 1, 2004; and~~

23 ~~(2) January 1 of each year that a general reassessment commences~~  
 24 ~~under IC 6-1.1-4-4;~~

25 The county assessor of each qualifying county shall provide the  
 26 department of local government finance a list of each industrial facility  
 27 located in the qualifying county.

28 SECTION 44. IC 6-1.1-8.5-8, AS AMENDED BY P.L.154-2006,  
 29 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2010]: Sec. 8. (a) For purposes of the ~~general~~  
 31 reassessment under IC 6-1.1-4-4 **of a group of parcels under a**  
 32 **county's reassessment plan** or for purposes of a new assessment, the  
 33 department of local government finance shall assess each industrial  
 34 facility in a qualifying county.

35 (b) The following may not assess an industrial facility in a  
 36 qualifying county:

37 (1) A county assessor.

38 (2) An assessing official.



(3) A county property tax assessment board of appeals.

SECTION 45. IC 6-1.1-8.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) A taxpayer ~~or the county assessor~~ of the qualifying county in which the industrial facility is located may appeal an assessment by the department of local government finance made under this chapter to the Indiana board. An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department of local government finance.

(b) The Indiana board shall hold a hearing on the appeal and issue an order within one (1) year after the date the appeal is filed.

SECTION 46. IC 6-1.1-8.7-3, AS AMENDED BY P.L.219-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. ~~(a) Before January 1, 2003, Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township. for the 2004 assessment date.~~

~~(b) Before January 1 of each year that a general reassessment commences under IC 6-1.1-4-4;~~ (a) Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township. ~~for that general reassessment.~~

~~(c)~~ (b) An industrial company may at any time petition the department to assess the real property of an industrial facility owned or used by the company.

~~(d)~~ (c) Before January 1 of any year, the county assessor of the county in which an industrial facility is located may petition the department to assess the real property of the industrial facility for the assessment date in ~~that~~ **the following** year.

SECTION 47. IC 6-1.1-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision (as defined in IC 36-1-2-13). However, this subsection applies only when the property is used, and in the case of real property occupied, by the owner.

(b) The exemption application referred to in section 3 of this chapter



is not required if the exempt property is a cemetery:

(1) described by IC 6-1.1-2-7; or

(2) maintained by a township executive under IC 23-14-68.

(c) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the bureau of motor vehicles commission established under IC 9-15-1.

(d) The exemption application referred to in section 3 **or 3.5** of this chapter is not required if:

(1) the exempt property is:

(A) tangible property used for religious purposes described in IC 6-1.1-10-21; ~~or~~

(B) tangible property owned by a church or religious society used for educational purposes described in IC 6-1.1-10-16; ~~and~~  
**or**

**(C) other tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes described in IC 6-1.1-10-16;**

(2) the exemption application referred to in section 3 **or 3.5** of this chapter was filed properly at least once ~~after the property was designated~~ for a religious use ~~as described in under~~ IC 6-1.1-10-21 or an educational, **literary, scientific, religious, or charitable** use ~~as described in under~~ IC 6-1.1-10-16; ~~and~~

**(3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16.**

**A change in ownership of property does not terminate an exemption of the property if after the change in ownership the property continues to meet the requirements for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16. However, if title to any of the real property subject to the exemption changes or any of the tangible property subject to the exemption is used for a nonexempt purpose after the date of the last properly filed exemption application, this subsection does not apply. the person that obtained the exemption or the current owner of the property shall notify the county assessor for the county where the tangible property is located of the change in the year that the change occurs. The notice must be in the form prescribed by the department of local government finance. If the county assessor discovers that title to property granted an exemption described in IC 6-1.1-10-16 or**



1 **IC 6-1.1-10-21 has changed, the county assessor shall notify the**  
 2 **persons entitled to a tax statement under IC 6-1.1-22-8.1 for the**  
 3 **property of the change in title and indicate that the county auditor**  
 4 **will suspend the exemption for the property until the persons**  
 5 **provides the county assessor with an affidavit, signed under**  
 6 **penalties of perjury, that identifies the new owners of the property**  
 7 **and indicates that the property continues to meet the requirements**  
 8 **for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16. Upon**  
 9 **receipt of the affidavit, the county assessor shall reinstate the**  
 10 **exemption for the years for which the exemption was suspended**  
 11 **and each year thereafter that the property continues to meet the**  
 12 **requirements for an exemption under IC 6-1.1-10-21 or**  
 13 **IC 6-1.1-10-16.**

14 SECTION 48. IC 6-1.1-12-9, AS AMENDED BY P.L.144-2008,  
 15 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2009]: Sec. 9. (a) An individual may obtain a deduction from  
 17 the assessed value of the individual's ~~real property, or mobile home or~~  
 18 ~~manufactured home which is not assessed as real property;~~ **homestead**  
 19 if:

20 (1) the individual is at least sixty-five (65) years of age on or  
 21 before December 31 of the calendar year **immediately** preceding  
 22 the year in which the ~~deduction is claimed;~~ **property taxes are**  
 23 **first due and payable;**

24 (2) the combined adjusted gross income (as defined in Section 62  
 25 of the Internal Revenue Code) of:

26 (A) the individual and the individual's spouse; or

27 (B) the individual and all other individuals with whom:

28 (i) the individual shares ownership; or

29 (ii) the individual is purchasing the property under a  
 30 contract;

31 as joint tenants or tenants in common;

32 for the calendar year preceding the year in which the deduction is  
 33 claimed did not exceed twenty-five thousand dollars (\$25,000);

34 (3) the individual has owned the ~~real property, mobile home, or~~  
 35 ~~manufactured home~~ **homestead** for at least one (1) year before  
 36 claiming the deduction; or the individual has been buying the ~~real~~  
 37 ~~property, mobile home, or manufactured home~~ **homestead** under  
 38 a contract that provides that the individual is to pay the property



taxes on the ~~real property, mobile home, or manufactured home~~  
**homestead** for at least one (1) year before claiming the deduction,  
 and the contract or a memorandum of the contract is recorded in  
 the county recorder's office;

(4) the individual and any individuals covered by subdivision  
 (2)(B) reside on the ~~real property, mobile home, or manufactured~~  
~~home; homestead;~~

(5) the assessed value of the ~~real property, mobile home, or~~  
~~manufactured home homestead~~ does not exceed one hundred  
 eighty-two thousand four hundred thirty dollars (\$182,430);

(6) the individual receives no other property tax deduction for the  
 year in which the deduction is claimed, except the deductions  
 provided by sections 1, 37, and 38 of this chapter; and

(7) the person:

(1) (A) owns the ~~real property, mobile home, or manufactured~~  
~~home; homestead;~~ or

(2) (B) is buying the ~~real property, mobile home, or~~  
~~manufactured home homestead~~ under contract;

on the date the statement required by section 10.1 of this chapter  
 is filed.

**Subdivision (6) does not limit any credits that the person is  
 otherwise eligible to receive under IC 6-1.1-20.6 or another law.**

(b) Except as provided in subsection (h), in the case of real property,  
 an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) twelve thousand four hundred eighty dollars (\$12,480).

(c) Except as provided in subsection (h) and section 40.5 of this  
 chapter, in the case of a mobile home that is not assessed as real  
 property or a manufactured home which is not assessed as real  
 property, an individual's deduction under this section equals the lesser  
 of:

(1) one-half (1/2) of the assessed value of the mobile home or  
 manufactured home; or

(2) twelve thousand four hundred eighty dollars (\$12,480).

(d) An individual may not be denied the deduction provided under  
 this section because the individual is absent from the ~~real property,~~  
~~mobile home, or manufactured home homestead~~ while in a nursing  
 home or hospital.



(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

- (1) tenants by the entirety;
- (2) joint tenants; or
- (3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

- (1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
- (2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;
- (3) the surviving spouse has not remarried; and
- (4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(7).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 49. IC 6-1.1-12-17.8, AS AMENDED BY P.L.144-2008, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 17.8. (a) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, ~~or 17.4, or 37~~ of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year.

(b) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, ~~or 17.4, or 37~~ of this chapter in a particular year and who becomes ineligible for the deduction in the following year



1 shall notify the auditor of the county in which the real property, mobile  
 2 home, or manufactured home for which the individual claims the  
 3 deduction is located of the individual's ineligibility in the year in which  
 4 the individual becomes ineligible.

5 (c) The auditor of each county shall, in a particular year, apply a  
 6 deduction provided under section 1, 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of  
 7 this chapter to each individual who received the deduction in the  
 8 preceding year unless the auditor determines that the individual is no  
 9 longer eligible for the deduction.

10 (d) An individual who receives a deduction provided under section  
 11 1, 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter for property that is  
 12 jointly held with another owner in a particular year and remains eligible  
 13 for the deduction in the following year is not required to file a  
 14 statement to reapply for the deduction following the removal of the  
 15 joint owner if:

- 16 (1) the individual is the sole owner of the property following the
- 17 death of the individual's spouse;
- 18 (2) the individual is the sole owner of the property following the
- 19 death of a joint owner who was not the individual's spouse; or
- 20 (3) the individual is awarded sole ownership of the property in a
- 21 divorce decree.

22 (e) A trust entitled to a deduction under section 9, 11, 13, 14, 16, ~~or~~  
 23 17.4, **or 37** of this chapter for real property owned by the trust and  
 24 occupied by an individual in accordance with section 17.9 of this  
 25 chapter is not required to file a statement to apply for the deduction, if:

- 26 (1) the individual who occupies the real property receives a
- 27 deduction provided under section 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37**
- 28 of this chapter in a particular year; and
- 29 (2) the trust remains eligible for the deduction in the following
- 30 year.

31 **(f) A cooperative housing corporation (as defined in 26 U.S.C.**  
 32 **216) that was entitled to a deduction under section 37 of this**  
 33 **chapter in the immediately preceding calendar year for a**  
 34 **homestead (as defined in section 37 of this chapter) is not required**  
 35 **to file a statement to apply for the deduction for the current**  
 36 **calendar year if the cooperative housing corporation remains**  
 37 **eligible for the deduction for the current calendar year.**

38 **(g) An individual or entity that:**



1           **(1) was eligible for a homestead credit under IC 6-1.1-20.9**  
 2           **(repealed) for property taxes imposed for the March 1, 2007,**  
 3           **or January 15, 2008, assessment date; or**

4           **(2) would have been eligible for a homestead credit under**  
 5           **IC 6-1.1-20.9 (repealed) for property taxes imposed for the**  
 6           **March 1, 2008, or January 15, 2009, assessment date if**  
 7           **IC 6-1.1-20.9 had not been repealed;**

8           **is not required to file a statement to apply for a deduction under**  
 9           **section 37 of this chapter if the individual or entity remains eligible**  
 10           **for the deduction in the current year. An individual or entity that**  
 11           **filed for a homestead credit under IC 6-1.1-20.9 (repealed) for an**  
 12           **assessment date after March 1, 2007 (if the property is real**  
 13           **property) or after January 1, 2008 (if the property is personal**  
 14           **property) shall be treated as an individual or entity that has filed**  
 15           **for a deduction under section 37 of this chapter.**

16           SECTION 50. IC 6-1.1-12-17.9, AS AMENDED BY P.L.101-2008,  
 17           SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18           JANUARY 1, 2009 (RETROACTIVE)]: Sec. 17.9. A trust is entitled  
 19           to a deduction under section 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this  
 20           chapter for real property owned by the trust and occupied by an  
 21           individual if the county auditor determines that the individual:

22           (1) upon verification in the body of the deed or otherwise, has  
 23           either:

24                   (A) a beneficial interest in the trust; or

25                   (B) the right to occupy the real property rent free under the  
 26                   terms of a qualified personal residence trust created by the  
 27                   individual under United States Treasury Regulation  
 28                   25.2702-5(c)(2);

29           (2) otherwise qualifies for the deduction; and

30           (3) would be considered the owner of the real property under  
 31           IC 6-1.1-1-9(f) or IC 6-1.1-1-9(g).

32           SECTION 51. IC 6-1.1-12-19 IS AMENDED TO READ AS  
 33           FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. The deduction  
 34           from assessed value provided by section 18 of this chapter is first  
 35           available in the year in which the increase in assessed value resulting  
 36           from the rehabilitation occurs and shall continue for the following four  
 37           (4) years. In the sixth (6th) year, the county auditor shall add the  
 38           amount of the deduction to the assessed value of the real property. A



~~general~~ reassessment of real property **under a county's reassessment plan**, which occurs within the five (5) year period of the deduction, does not affect the amount of the deduction.

SECTION 52. IC 6-1.1-12-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 23. The deduction from assessed value provided by section 22 of this chapter is first available after the first assessment date following the rehabilitation and shall continue for the taxes first due and payable in the following five (5) years. In the sixth (6th) year, the county auditor shall add the amount of the deduction to the assessed value of the property. Any ~~general~~ reassessment of real property **under a county's reassessment plan**, which occurs within the five (5) year period of the deduction, does not affect the amount of the deduction.

SECTION 53. IC 6-1.1-12-37, AS AMENDED BY HEA 1198-2009, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 37. (a) The following definitions apply throughout this section:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(2) "Homestead" means an individual's principal place of residence: ~~that:~~

(A) ~~that~~ is located in Indiana;

(B) ~~the individual:~~ **that:**

(i) **the individual** owns;

(ii) **the individual** is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; ~~or~~

(iii) **the individual** is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); **or**

(iv) **is a residence described in section 17.9 of this chapter that is owned by a trust in which the individual**



1                   **has a beneficial interest; and**  
 2                   (C) **that** consists of a dwelling and the real estate, not  
 3                   exceeding one (1) acre, that immediately surrounds that  
 4                   dwelling.

5                   (b) Each year ~~an individual who on March 1~~ of a particular year or,  
 6                   in the case of a mobile home that is assessed as personal property, the  
 7                   immediately following January 15, either owns or is buying a  
 8                   homestead under a contract, recorded in the county recorder's office,  
 9                   that provides the individual is to pay property taxes on the **individual**  
 10                  **or entity obligated to pay property taxes on a homestead for a**  
 11                  **particular assessment date** is entitled to a standard deduction from  
 12                  the assessed value of the homestead **for that assessment date. The**  
 13                  **deduction provided by this section applies only if the individual has**  
 14                  **an interest in the homestead described in subsection (a)(2)(B) on:**

- 15                  **(1) the assessment date, if section 17.8 of this chapter applies;**  
 16                  **or**  
 17                  **(2) the date that a statement is filed under subsection (e) or**  
 18                  **section 44 of this chapter, if section 17.8 of this chapter does**  
 19                  **not apply.**

20                  **Subject to subsection (c),** the auditor of the county shall record and  
 21                  make the deduction for the ~~person~~ **individual or entity** qualifying for  
 22                  the deduction.

23                  (c) ~~Except as provided in section 40.5 of this chapter,~~ The total  
 24                  amount of the deduction that a person may receive under this section  
 25                  for a particular year is the lesser of:

- 26                  (1) sixty percent (60%) of the assessed value of the ~~real property;~~  
 27                  ~~mobile home not assessed as real property, or manufactured home~~  
 28                  ~~not assessed as real property~~ **that constitutes the homestead; or**  
 29                  (2) forty-five thousand dollars (\$45,000).

30                  **If the homestead consists of a mobile home or manufactured home**  
 31                  **that is assessed as personal property, the deduction under this**  
 32                  **section shall be applied to the mobile home or manufactured home**  
 33                  **after applying other deductions to which the mobile home or**  
 34                  **manufactured home is eligible under this chapter until the**  
 35                  **maximum permissible deduction permitted under section 40.5 of**  
 36                  **this chapter is reached. If the homestead also includes real estate**  
 37                  **surrounding the mobile home or manufactured home, the excess**  
 38                  **amount of the deduction under this chapter that is not applied to**



1     **the mobile home or manufactured home shall be applied to the real**  
2     **property until the maximum permissible deduction permitted**  
3     **under this section is reached.**

4         (d) A person who has sold real property, a mobile home not assessed  
5         as real property, or a manufactured home not assessed as real property  
6         to another person under a contract that provides that the contract buyer  
7         is to pay the property taxes on the real property, mobile home, or  
8         manufactured home may not claim the deduction provided under this  
9         section with respect to that real property, mobile home, or  
10        manufactured home.

11       (e) **Except as provided in sections 17.8 and 44 of this chapter**  
12     **and subject to section 45 of this chapter, an individual who desires**  
13     **to claim the deduction provided by this section must file a certified**  
14     **statement in duplicate, on forms prescribed by the department of**  
15     **local government finance, with the auditor of the county in which**  
16     **the homestead is located. The statement must include the parcel**  
17     **number or key number of the property and the name of the city,**  
18     **town, or township in which the property is located. The statement**  
19     **may be filed in person or by mail. If the statement is mailed, the**  
20     **mailing must be postmarked on or before the last day for filing.**  
21     **The statement applies for that first year and any succeeding year**  
22     **for which the deduction is allowed. An individual who wishes to**  
23     **claim the deduction must list on the statement the name of any**  
24     **other county and township in which the individual owns or is**  
25     **buying residential real property. With respect to real property, the**  
26     **person must file the statement during the year for which the person**  
27     **desires to obtain the deduction. With respect to a mobile home that**  
28     **is not assessed as real property, the person must file the statement**  
29     **during the twelve (12) months before March 31 of the year for**  
30     **which the person desires to obtain the deduction. If an individual**  
31     **who is receiving the deduction provided by this chapter changes**  
32     **the use of the individual's property so that part or all of the**  
33     **property no longer qualifies for the deduction under this section,**  
34     **the individual shall file a certified statement with the auditor of the**  
35     **county, notifying the auditor of the change of use, not more than**  
36     **sixty (60) days after the date of that change. An individual who**  
37     **changes the use of the individual's property and fails to file the**  
38     **statement required by this subsection is liable for any additional**



1 **taxes that would have been due on the property if the individual**  
 2 **had filed the statement as required by this subsection.** The  
 3 department of local government finance shall adopt rules or guidelines  
 4 concerning the application for a deduction under this section,  
 5 **including any application procedures necessary to prevent an**  
 6 **individual from simultaneously claiming more than one (1)**  
 7 **deduction under this section.**

8 (f) The county auditor may not grant an individual or a married  
 9 couple a deduction under this section if:

10 (1) the individual or married couple, for the same year, claims the  
 11 deduction on two (2) or more different applications for the  
 12 deduction; and

13 (2) the applications claim the deduction for different property.

14 SECTION 54. IC 6-1.1-12-43, AS AMENDED BY P.L.145-2008,  
 15 SECTION 9, AND AS AMENDED BY P.L.146-2008, SECTION 120,  
 16 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 17 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 43. (a) For  
 18 purposes of this section:

19 (1) "benefit" refers to

20 ~~(A)~~ a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29,  
 21 31, 33, ~~or~~ 34, **37, or 37.5** of this chapter; ~~or~~

22 ~~(B) the homestead credit under IC 6-1.1-20.9-2;~~

23 (2) "closing agent" means a person that closes a transaction;

24 (3) "customer" means an individual who obtains a loan in a  
 25 transaction; and

26 (4) "transaction" means a single family residential:

27 (A) first lien purchase money mortgage transaction; or

28 (B) refinancing transaction.

29 (b) Before closing a transaction after December 31, 2004, a closing  
 30 agent must provide to the customer the form referred to in subsection  
 31 (c).

32 (c) Before June 1, 2004, the department of local government finance  
 33 shall prescribe the form to be provided by closing agents to customers  
 34 under subsection (b). The department shall make the form available to  
 35 closing agents, county assessors, county auditors, and county treasurers  
 36 in hard copy and electronic form. County assessors, county auditors,  
 37 and county treasurers shall make the form available to the general  
 38 public. The form must:



- 1 (1) on one (1) side:
  - 2 (A) list each benefit;
  - 3 (B) list the eligibility criteria for each benefit; and
  - 4 (C) indicate that a new application for a deduction under
  - 5 section 1 of this chapter is required when residential real
  - 6 property is refinanced;
- 7 (2) on the other side indicate:
  - 8 (A) each action by; and
  - 9 (B) each type of documentation from;
- 10 the customer required to file for each benefit; and
- 11 (3) be printed in one (1) of two (2) or more colors prescribed by
- 12 the department of local government finance that distinguish the
- 13 form from other documents typically used in a closing referred to
- 14 in subsection (b).
- 15 (d) A closing agent:
  - 16 (1) may reproduce the form referred to in subsection (c);
  - 17 (2) in reproducing the form, must use a print color prescribed by
  - 18 the department of local government finance; and
  - 19 (3) is not responsible for the content of the form referred to in
  - 20 subsection (c) and shall be held harmless by the department of
  - 21 local government finance from any liability for the content of the
  - 22 form.
- 23 *(e) This subsection applies to a transaction that is closed after*
- 24 *December 31, 2009. In addition to providing the customer the form*
- 25 *described in subsection (c) before closing the transaction, a closing*
- 26 *agent shall do the following as soon as possible after the closing, and*
- 27 *within the time prescribed by the department of insurance under*
- 28 *IC 27-7-3-15.5:*
  - 29 *(1) To the extent determinable, input the information described in*
  - 30 *IC 27-7-3-15.5(c)(2) into the system maintained by the*
  - 31 *department of insurance under IC 27-7-3-15.5.*
  - 32 *(2) Submit the form described in IC 27-7-3-15.5(c) to the data*
  - 33 *base described in IC 27-7-3-15.5(c)(2)(D).*
- 34 ~~(e)~~ (f) A closing agent to which this section applies shall document
- 35 ~~its~~ the closing agent's compliance with this section with respect to each
- 36 transaction in the form of verification of compliance signed by the
- 37 customer.
- 38 ~~(f)~~ (g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a



1 civil penalty of twenty-five dollars (\$25) for each instance in which the  
 2 closing agent fails to comply with this section with respect to a  
 3 customer. The penalty:

4 (1) may be enforced by the state agency that has administrative  
 5 jurisdiction over the closing agent in the same manner that the  
 6 agency enforces the payment of fees or other penalties payable to  
 7 the agency; and

8 (2) shall be paid into:

9 (A) the *property tax replacement state general fund, if the*  
 10 *closing agent fails to comply with subsection (b); or*

11 (B) *the home ownership education account established by*  
 12 *IC 5-20-1-27, if the closing agent fails to comply with*  
 13 *subsection (e) in a transaction that is closed after December*  
 14 *31, 2009.*

15 (h) A closing agent is not liable for any other damages claimed by  
 16 a customer because of:

17 (1) the closing agent's mere failure to provide the appropriate  
 18 document to the customer *under subsection (b); or*

19 (2) *with respect to a transaction that is closed after December 31,*  
 20 *2009, the closing agent's failure to input the information or*  
 21 *submit the form described in subsection (e).*

22 ~~(g)~~ (i) The state agency that has administrative jurisdiction over a  
 23 closing agent shall:

24 (1) examine the closing agent to determine compliance with this  
 25 section; and

26 (2) impose and collect penalties under subsection ~~ff~~ (g).

27 SECTION 55. IC 6-1.1-12-44, AS AMENDED BY HEA  
 28 1198-2009, SECTION 40, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 44. (a) A  
 30 sales disclosure form under IC 6-1.1-5.5:

31 (1) that is submitted:

32 (A) as a paper form; or

33 (B) electronically;

34 on or before December 31 of a calendar year to the county  
 35 assessor by or on behalf of the purchaser of a homestead (as  
 36 defined in section 37 of this chapter) assessed as real property;

37 (2) that is accurate and complete;

38 (3) that is approved by the county assessor as eligible for filing



1 with the county auditor; and

2 (4) that is filed:

3 (A) as a paper form; or

4 (B) electronically;

5 with the county auditor by or on behalf of the purchaser;

6 constitutes an application for the deductions provided by sections 26,  
7 29, 33, ~~and 34~~, **and 37** of this chapter with respect to property taxes  
8 first due and payable in the calendar year that immediately succeeds  
9 the calendar year referred to in subdivision (1).

10 (b) Except as provided in subsection (c), if:

11 (1) the county auditor receives in a calendar year a sales  
12 disclosure form that meets the requirements of subsection (a); and

13 (2) the homestead for which the sales disclosure form is submitted  
14 is otherwise eligible for a deduction referred to in subsection (a);

15 the county auditor shall apply the deduction to the homestead for  
16 property taxes first due and payable in the calendar year for which the  
17 homestead qualifies under subsection (a) and in any later year in which  
18 the homestead remains eligible for the deduction.

19 (c) Subsection (b) does not apply if the county auditor, after  
20 receiving a sales disclosure form from or on behalf of a purchaser  
21 under subsection (a)(4), determines that the homestead is ineligible for  
22 the deduction.

23 SECTION 56. IC 6-1.1-12.1-4, AS AMENDED BY P.L.219-2007,  
24 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JANUARY 1, 2010]: Sec. 4. (a) Except as provided in section 2(i)(4)  
26 of this chapter, and subject to section 15 of this chapter, the amount of  
27 the deduction which the property owner is entitled to receive under  
28 section 3 of this chapter for a particular year equals the product of:

29 (1) the increase in the assessed value resulting from the  
30 rehabilitation or redevelopment; multiplied by

31 (2) the percentage prescribed in the table set forth in subsection  
32 (d).

33 (b) The amount of the deduction determined under subsection (a)  
34 shall be adjusted in accordance with this subsection in the following  
35 circumstances:

36 (1) If a ~~general~~ reassessment of real property **under a county's**  
37 **reassessment plan** occurs within the particular period of the  
38 deduction, the amount determined under subsection (a)(1) shall



be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
-------------------	------------



1	1st	100%
2	2nd	80%
3	3rd	60%
4	4th	40%
5	5th	20%

(6) For deductions allowed over a six (6) year period:

7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	85%
10	3rd	66%
11	4th	50%
12	5th	34%
13	6th	17%

(7) For deductions allowed over a seven (7) year period:

15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	85%
18	3rd	71%
19	4th	57%
20	5th	43%
21	6th	29%
22	7th	14%

(8) For deductions allowed over an eight (8) year period:

24	YEAR OF DEDUCTION	PERCENTAGE
25	1st	100%
26	2nd	88%
27	3rd	75%
28	4th	63%
29	5th	50%
30	6th	38%
31	7th	25%
32	8th	13%

(9) For deductions allowed over a nine (9) year period:

34	YEAR OF DEDUCTION	PERCENTAGE
35	1st	100%
36	2nd	88%
37	3rd	77%
38	4th	66%



1	5th	55%
2	6th	44%
3	7th	33%
4	8th	22%
5	9th	11%

(10) For deductions allowed over a ten (10) year period:

7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	95%
10	3rd	80%
11	4th	65%
12	5th	50%
13	6th	40%
14	7th	30%
15	8th	20%
16	9th	10%
17	10th	5%

SECTION 57. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.219-2007,  
SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
JANUARY 1, 2010]: Sec. 4.8. (a) A property owner that is an applicant  
for a deduction under this section must provide a statement of benefits  
to the designating body.

(b) If the designating body requires information from the property  
owner for the designating body's use in deciding whether to designate  
an economic revitalization area, the property owner must provide the  
completed statement of benefits form to the designating body before  
the hearing required by section 2.5(c) of this chapter. Otherwise, the  
property owner must submit the completed statement of benefits form  
to the designating body before the occupation of the eligible vacant  
building for which the property owner desires to claim a deduction.

(c) The department of local government finance shall prescribe a  
form for the statement of benefits. The statement of benefits must  
include the following information:

(1) A description of the eligible vacant building that the property  
owner or a tenant of the property owner will occupy.

(2) An estimate of the number of individuals who will be  
employed or whose employment will be retained by the property  
owner or the tenant as a result of the occupation of the eligible



1           vacant building, and an estimate of the annual salaries of those  
2           individuals.

3           (3) Information regarding efforts by the owner or a previous  
4           owner to sell, lease, or rent the eligible vacant building during the  
5           period the eligible vacant building was unoccupied.

6           (4) Information regarding the amount for which the eligible  
7           vacant building was offered for sale, lease, or rent by the owner  
8           or a previous owner during the period the eligible vacant building  
9           was unoccupied.

10          (d) With the approval of the designating body, the statement of  
11          benefits may be incorporated in a designation application. A statement  
12          of benefits is a public record that may be inspected and copied under  
13          IC 5-14-3.

14          (e) The designating body must review the statement of benefits  
15          required by subsection (a). The designating body shall determine  
16          whether an area should be designated an economic revitalization area  
17          or whether a deduction should be allowed, after the designating body  
18          has made the following findings:

19               (1) Whether the estimate of the number of individuals who will be  
20               employed or whose employment will be retained can be  
21               reasonably expected to result from the proposed occupation of the  
22               eligible vacant building.

23               (2) Whether the estimate of the annual salaries of those  
24               individuals who will be employed or whose employment will be  
25               retained can be reasonably expected to result from the proposed  
26               occupation of the eligible vacant building.

27               (3) Whether any other benefits about which information was  
28               requested are benefits that can be reasonably expected to result  
29               from the proposed occupation of the eligible vacant building.

30               (4) Whether the occupation of the eligible vacant building will  
31               increase the tax base and assist in the rehabilitation of the  
32               economic revitalization area.

33               (5) Whether the totality of benefits is sufficient to justify the  
34               deduction.

35          A designating body may not designate an area an economic  
36          revitalization area or approve a deduction under this section unless the  
37          findings required by this subsection are made in the affirmative.

38          (f) Except as otherwise provided in this section, the owner of an



1 eligible vacant building located in an economic revitalization area is  
 2 entitled to a deduction from the assessed value of the building if the  
 3 property owner or a tenant of the property owner occupies the eligible  
 4 vacant building and uses it for commercial or industrial purposes. The  
 5 property owner is entitled to the deduction:

6 (1) for the first year in which the property owner or a tenant of the  
 7 property owner occupies the eligible vacant building and uses it  
 8 for commercial or industrial purposes; and

9 (2) for subsequent years determined under subsection (g).

10 (g) The designating body shall determine the number of years for  
 11 which a property owner is entitled to a deduction under this section.  
 12 However, subject to section 15 of this chapter, the deduction may not  
 13 be allowed for more than two (2) years. This determination shall be  
 14 made:

15 (1) as part of the resolution adopted under section 2.5 of this  
 16 chapter; or

17 (2) by a resolution adopted not more than sixty (60) days after the  
 18 designating body receives a copy of the property owner's  
 19 deduction application from the county auditor.

20 A certified copy of a resolution under subdivision (2) shall be sent to  
 21 the county auditor, who shall make the deduction as provided in section  
 22 5.3 of this chapter. A determination concerning the number of years the  
 23 deduction is allowed that is made under subdivision (1) is final and  
 24 may not be changed by using the procedure under subdivision (2).

25 (h) Except as provided in section 2(i)(5) of this chapter and  
 26 subsection (k), and subject to section 15 of this chapter, the amount of  
 27 the deduction the property owner is entitled to receive under this  
 28 section for a particular year equals the product of:

29 (1) the assessed value of the building or part of the building that  
 30 is occupied by the property owner or a tenant of the property  
 31 owner; multiplied by

32 (2) the percentage set forth in the table in subsection (i).

33 (i) The percentage to be used in calculating the deduction under  
 34 subsection (h) is as follows:

35 (1) For deductions allowed over a one (1) year period:

36 YEAR OF DEDUCTION	PERCENTAGE
37 1st	100%

38 (2) For deductions allowed over a two (2) year period:



1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd	50%

4 (j) The amount of the deduction determined under subsection (h)  
5 shall be adjusted in accordance with this subsection in the following  
6 circumstances:

7 (1) If a ~~general~~ reassessment of real property **under a county's**  
8 **reassessment plan** occurs within the period of the deduction, the  
9 amount of the assessed value determined under subsection (h)(1)  
10 shall be adjusted to reflect the percentage increase or decrease in  
11 assessed valuation that resulted from the ~~general~~ reassessment.

12 (2) If an appeal of an assessment is approved and results in a  
13 reduction of the assessed value of the property, the amount of a  
14 deduction under this section shall be adjusted to reflect the  
15 percentage decrease that resulted from the appeal.

16 (k) The maximum amount of a deduction under this section may not  
17 exceed the lesser of:

18 (1) the annual amount for which the eligible vacant building was  
19 offered for lease or rent by the owner or a previous owner during  
20 the period the eligible vacant building was unoccupied; or

21 (2) an amount, as determined by the designating body in its  
22 discretion, that is equal to the annual amount for which similar  
23 buildings in the county or contiguous counties were leased or  
24 rented or offered for lease or rent during the period the eligible  
25 vacant building was unoccupied.

26 (l) The department of local government finance may adopt rules  
27 under IC 4-22-2 to implement this section.

28 SECTION 58. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008,  
29 SECTION 130, IS AMENDED TO READ AS FOLLOWS  
30 [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) For purposes of this  
31 section, an increase in the assessed value of real property is determined  
32 in the same manner that an increase in the assessed value of real  
33 property is determined for purposes of IC 6-1.1-12.1.

34 (b) This subsection applies only to a development, redevelopment,  
35 or rehabilitation that is first assessed after March 1, 2005, and before  
36 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,  
37 and 8 of this chapter, an owner of real property that:

38 (1) develops, redevelops, or rehabilitates the real property; and



(2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) Subject to section 14 of this chapter, the deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

(1) two million dollars (\$2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor, or the county assessor if there is no township assessor for the township, shall:

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

(1) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4; or



1 (2) an annual adjustment under IC 6-1.1-4-4.5.

2 (g) If an appeal of an assessment is approved that results in a  
3 reduction of the assessed value of the real property, the amount of the  
4 deduction under this section is adjusted to reflect the percentage  
5 decrease that results from the appeal.

6 (h) The deduction under this section does not apply to a facility  
7 listed in IC 6-1.1-12.1-3(e).

8 SECTION 59. IC 6-1.1-12.6-2.1 IS ADDED TO THE INDIANA  
9 CODE AS A NEW SECTION TO READ AS FOLLOWS  
10 [EFFECTIVE UPON PASSAGE]: **Sec. 2.1. (a) This section applies**  
11 **only to a model residence that is first assessed as:**

12 (1) a partially completed structure; or

13 (2) a fully completed structure;

14 **for the assessment date in 2008 and was still a model residence on**  
15 **January 1, 2009.**

16 (b) Except as provided in subsection (c) and sections 4, 5, and 6  
17 of this chapter, and subject to sections 7 and 8 of this chapter, an  
18 owner of a model residence is entitled to a deduction from the  
19 assessed value of the model residence in the amount of fifty percent  
20 (50%) of the assessed value of the model residence for the 2008  
21 assessment date. A deduction under this section counts as a  
22 deduction for an assessment date for purposes of section 2 of this  
23 chapter.

24 (c) A property owner that qualifies for the deduction under this  
25 section must file a statement containing the information required  
26 by subsection (d) with the county auditor to claim the deduction for  
27 the 2008 assessment date in the manner prescribed in emergency  
28 rules, which shall be adopted by the department of local  
29 government finance under IC 4-22-2. The township assessor shall  
30 verify each statement filed under this section, and the county  
31 auditor shall:

32 (1) make the deductions; and

33 (2) notify the county property tax assessment board of appeals  
34 of all deductions approved;

35 under this section. If the property taxes due for the 2008  
36 assessment date have been paid, the person that paid the property  
37 taxes is entitled to a refund of the amount that has been overpaid  
38 after applying the deduction under this section. A property owner



1 is not required to apply for a refund due under this section. The  
 2 county auditor shall, without an appropriation being required,  
 3 issue a warrant to the property owner payable from the county  
 4 general fund for the amount of the refund due the property owner.  
 5 In the June or December settlement and apportionment of taxes,  
 6 or both, immediately following a refund made under this section  
 7 the county auditor shall deduct the amount refunded from the  
 8 gross tax collections of the taxing units for which the refunded  
 9 taxes were originally paid and shall pay the amount so deducted  
 10 into the general fund of the county. However, the county auditor  
 11 shall make the deductions and payments required by this  
 12 subsection not later than the December settlement and  
 13 apportionment.

14 (d) The statement referred to in subsection (c) must be verified  
 15 under penalties for perjury and must contain the following  
 16 information:

17 (1) The assessed value of the real property for which the  
 18 person is claiming the deduction.

19 (2) The full name and complete business address of the person  
 20 claiming the deduction.

21 (3) The complete address and a brief description of the real  
 22 property for which the person is claiming the deduction.

23 (4) The name of any other county in which the person has  
 24 applied for a deduction under this section for that assessment  
 25 date.

26 (5) The complete address and a brief description of any other  
 27 real property for which the person has applied for a deduction  
 28 under this section for the 2008 assessment date.

29 (e) This section expires January 1, 2011.

30 SECTION 60. IC 6-1.1-13-6 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A county  
 32 assessor shall inquire into the assessment of the classes of tangible  
 33 property in the ~~various townships of the county~~ **group of parcels**  
 34 **under a county's reassessment plan** after March 1 in the year in  
 35 which the ~~general~~ **reassessment of tangible property in that group of**  
 36 **parcels** becomes effective. The county assessor shall make any  
 37 changes, whether increases or decreases, in the assessed values which  
 38 are necessary in order to equalize these values in ~~and between the~~



~~various townships of the county. that group.~~ In addition, the county assessor shall determine the percent to be added to or deducted from the assessed values in order to make a just, equitable, and uniform equalization of assessments in ~~and between the townships of the county. that group.~~

SECTION 61. IC 6-1.1-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. If a county assessor proposes to change assessments under section 6 of this chapter, the property tax assessment board of appeals shall hold a hearing on the proposed changes before July 15 in the year in which a ~~general assessment reassessment of a group of parcels under a county's reassessment plan~~ is to commence. It is sufficient notice of the hearing and of any changes in assessments ordered by the board subsequent to the hearing if the board gives notice by publication once either in:

- (1) two (2) newspapers which represent different political parties and which are published in the county; or
- (2) one (1) newspaper only, if two (2) newspapers which represent different political parties are not published in the county.

SECTION 62. IC 6-1.1-15-1, AS AMENDED BY P.L.146-2008, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to either or both of the following:

- (1) The assessment of the taxpayer's tangible property.
- (2) A deduction for which a review under this section is authorized by any of the following:
  - (A) IC 6-1.1-12-25.5.
  - (B) IC 6-1.1-12-28.5.
  - (C) IC 6-1.1-12-35.5.
  - (D) IC 6-1.1-12.1-5.
  - (E) IC 6-1.1-12.1-5.3.
  - (F) IC 6-1.1-12.1-5.4.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for a review under this section, including a



1 preliminary informal meeting under subsection (h)(2) with the  
2 county or township official referred to in this subsection; and

3 (2) the procedures the taxpayer must follow in order to obtain a  
4 review under this section.

5 (c) In order to obtain a review of an assessment or deduction  
6 effective for the assessment date to which the notice referred to in  
7 subsection (b) applies, the taxpayer must file a notice in writing with  
8 the county or township official referred to in subsection (a) not later  
9 than forty-five (45) days after the date of the notice referred to in  
10 subsection (b).

11 (d) A taxpayer may obtain a review by the county board of the  
12 assessment of the taxpayer's tangible property effective for an  
13 assessment date for which a notice of assessment is not given as  
14 described in subsection (b). To obtain the review, the taxpayer must file  
15 a notice in writing with the township assessor, or the county assessor  
16 if the township is not served by a township assessor. The right of a  
17 taxpayer to obtain a review under this subsection for an assessment  
18 date for which a notice of assessment is not given does not relieve an  
19 assessing official of the duty to provide the taxpayer with the notice of  
20 assessment as otherwise required by this article. ~~For an assessment date~~  
21 ~~in a year before 2009;~~ The notice must be filed on or before May 10 of  
22 the year. ~~For an assessment date in a year after 2008; the notice must~~  
23 ~~be filed not later than the later of:~~

24 (1) ~~May 10 of the year;~~ or

25 (2) ~~forty-five (45) days after the date of the statement mailed by~~  
26 ~~the county auditor under IC 6-1.1-17-3(b);~~

27 (e) A change in an assessment made as a result of a notice for  
28 review filed by a taxpayer under subsection (d) after the time  
29 prescribed in subsection (d) becomes effective for the next assessment  
30 date. A change in an assessment made as a result of a notice for review  
31 filed by a taxpayer under subsection (c) or (d) remains in effect from  
32 the assessment date for which the change is made until the next  
33 assessment date for which the assessment is changed under this article.

34 (f) The written notice filed by a taxpayer under subsection (c) or (d)  
35 must include the following information:

36 (1) The name of the taxpayer.

37 (2) The address and parcel or key number of the property.

38 (3) The address and telephone number of the taxpayer.



- 1 (g) The filing of a notice under subsection (c) or (d):
  - 2 (1) initiates a review under this section; and
  - 3 (2) constitutes a request by the taxpayer for a preliminary
  - 4 informal meeting with the official referred to in subsection (a).
- 5 (h) A county or township official who receives a notice for review
  - 6 filed by a taxpayer under subsection (c) or (d) shall:
    - 7 (1) immediately forward the notice to the county board; and
    - 8 (2) attempt to hold a preliminary informal meeting with the
    - 9 taxpayer to resolve as many issues as possible by:
      - 10 (A) discussing the specifics of the taxpayer's assessment or
      - 11 deduction;
      - 12 (B) reviewing the taxpayer's property record card;
      - 13 (C) explaining to the taxpayer how the assessment or
      - 14 deduction was determined;
      - 15 (D) providing to the taxpayer information about the statutes,
      - 16 rules, and guidelines that govern the determination of the
      - 17 assessment or deduction;
      - 18 (E) noting and considering objections of the taxpayer;
      - 19 (F) considering all errors alleged by the taxpayer; and
      - 20 (G) otherwise educating the taxpayer about:
        - 21 (i) the taxpayer's assessment or deduction;
        - 22 (ii) the assessment or deduction process; and
        - 23 (iii) the assessment or deduction appeal process.
    - 24 (i) Not later than ten (10) days after the informal preliminary
    - 25 meeting, the official referred to in subsection (a) shall forward to the
    - 26 county auditor and the county board the results of the conference on a
    - 27 form prescribed by the department of local government finance that
    - 28 must be completed and signed by the taxpayer and the official. The
    - 29 form must indicate the following:
      - 30 (1) If the taxpayer and the official agree on the resolution of all
      - 31 assessment or deduction issues in the review, a statement of:
        - 32 (A) those issues; and
        - 33 (B) the assessed value of the tangible property or the amount
        - 34 of the deduction that results from the resolution of those issues
        - 35 in the manner agreed to by the taxpayer and the official.
      - 36 (2) If the taxpayer and the official do not agree on the resolution
      - 37 of all assessment or deduction issues in the review:
        - 38 (A) a statement of those issues; and



- 1 (B) the identification of:
- 2 (i) the issues on which the taxpayer and the official agree;
- 3 and
- 4 (ii) the issues on which the taxpayer and the official
- 5 disagree.
- 6 (j) If the county board receives a form referred to in subsection
- 7 (i)(1) before the hearing scheduled under subsection (k):
- 8 (1) the county board shall cancel the hearing;
- 9 (2) the county official referred to in subsection (a) shall give
- 10 notice to the taxpayer, the county board, the county assessor, and
- 11 the county auditor of the assessment or deduction in the amount
- 12 referred to in subsection (i)(1)(B); and
- 13 (3) if the matter in issue is the assessment of tangible property,
- 14 the county board may reserve the right to change the assessment
- 15 under IC 6-1.1-13.
- 16 (k) If:
- 17 (1) subsection (i)(2) applies; or
- 18 (2) the county board does not receive a form referred to in
- 19 subsection (i) not later than one hundred twenty (120) days after
- 20 the date of the notice for review filed by the taxpayer under
- 21 subsection (c) or (d);
- 22 the county board shall hold a hearing on a review under this subsection
- 23 not later than one hundred eighty (180) days after the date of that
- 24 notice. The county board shall, by mail, give notice of the date, time,
- 25 and place fixed for the hearing to the taxpayer and the county or
- 26 township official with whom the taxpayer filed the notice for review.
- 27 The taxpayer and the county or township official with whom the
- 28 taxpayer filed the notice for review are parties to the proceeding before
- 29 the county board. ~~The county assessor is recused from any action the~~
- 30 ~~county board takes with respect to an assessment determination by the~~
- 31 ~~county assessor.~~
- 32 (l) At the hearing required under subsection (k):
- 33 (1) the taxpayer may present the taxpayer's reasons for
- 34 disagreement with the assessment or deduction; and
- 35 (2) the county or township official with whom the taxpayer filed
- 36 the notice for review must present:
- 37 (A) the basis for the assessment or deduction decision; and
- 38 (B) the reasons the taxpayer's contentions should be denied.



(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

SECTION 63. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may correct any errors that may have been made and adjust the assessment or exemption in accordance with the correction.

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the county assessor. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing unless the parties agree to a shorter period. With respect to a petition for review filed by a county assessor, the county board that made the



determination under review under this section may file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the county board in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment or exemption is under appeal is subject to assessment by that taxing unit.

(c) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(d) After the hearing, the Indiana board shall give the taxpayer, the county assessor, and any entity that filed an amicus curiae brief:

(1) notice, by mail, of its final determination; and

(2) for parties entitled to appeal the final determination, notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a ~~general~~ reassessment of real property **under a county's reassessment plan** takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of:

(1) ninety (90) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

(h) With respect to an appeal of a real property assessment that



1 takes effect on the assessment date on which a ~~general~~ reassessment of  
 2 real property **under a county's reassessment plan** takes effect under  
 3 IC 6-1.1-4-4, the Indiana board shall make a determination not later  
 4 than the later of:

5 (1) one hundred eighty (180) days after the hearing; or

6 (2) the date set in an extension order issued by the Indiana board.

7 (i) The Indiana board may not extend the final determination date  
 8 under subsection (g) or (h) by more than one hundred eighty (180)  
 9 days. If the Indiana board fails to make a final determination within the  
 10 time allowed by this section, the entity that initiated the petition may:

11 (1) take no action and wait for the Indiana board to make a final  
 12 determination; or

13 (2) petition for judicial review under section 5 of this chapter.

14 (j) A final determination must include separately stated findings of  
 15 fact for all aspects of the determination. Findings of ultimate fact must  
 16 be accompanied by a concise statement of the underlying basic facts of  
 17 record to support the findings. Findings must be based exclusively  
 18 upon the evidence on the record in the proceeding and on matters  
 19 officially noticed in the proceeding. Findings must be based upon a  
 20 preponderance of the evidence.

21 (k) The Indiana board may limit the scope of the appeal to the issues  
 22 raised in the petition and the evaluation of the evidence presented to  
 23 the county board in support of those issues only if all parties  
 24 participating in the hearing required under subsection (a) agree to the  
 25 limitation. A party participating in the hearing required under  
 26 subsection (a) is entitled to introduce evidence that is otherwise proper  
 27 and admissible without regard to whether that evidence has previously  
 28 been introduced at a hearing before the county board.

29 (l) The Indiana board may require the parties to the appeal:

30 (1) to file not more than five (5) business days before the date of  
 31 the hearing required under subsection (a) documentary evidence  
 32 or summaries of statements of testimonial evidence; and

33 (2) to file not more than fifteen (15) business days before the date  
 34 of the hearing required under subsection (a) lists of witnesses and  
 35 exhibits to be introduced at the hearing.

36 (m) A party to a proceeding before the Indiana board shall provide  
 37 to all other parties to the proceeding the information described in  
 38 subsection (l) if the other party requests the information in writing at



1 least ten (10) days before the deadline for filing of the information  
2 under subsection (l).

3 (n) The Indiana board may base its final determination on a  
4 stipulation between the respondent and the petitioner. If the final  
5 determination is based on a stipulated assessed valuation of tangible  
6 property, the Indiana board may order the placement of a notation on  
7 the permanent assessment record of the tangible property that the  
8 assessed valuation was determined by stipulation. The Indiana board  
9 may:

10 (1) order that a final determination under this subsection has no  
11 precedential value; or

12 (2) specify a limited precedential value of a final determination  
13 under this subsection.

14 SECTION 64. IC 6-1.1-15-12, AS AMENDED BY P.L.146-2008,  
15 SECTION 140, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 12. (a)  
17 Subject to the limitations contained in subsections (c) and (d), a county  
18 auditor shall correct errors which are discovered in the tax duplicate for  
19 any one (1) or more of the following reasons:

20 (1) The description of the real property was in error.

21 (2) The assessment was against the wrong person.

22 (3) Taxes on the same property were charged more than one (1)  
23 time in the same year.

24 (4) There was a mathematical error in computing the taxes or  
25 penalties on the taxes.

26 (5) There was an error in carrying delinquent taxes forward from  
27 one (1) tax duplicate to another.

28 (6) The taxes, as a matter of law, were illegal.

29 (7) There was a mathematical error in computing an assessment.

30 (8) Through an error of omission by any state or county officer,  
31 the taxpayer was not given credit for an exemption or deduction  
32 permitted by law.

33 (b) The county auditor shall correct an error described under  
34 subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county  
35 auditor finds that the error exists.

36 (c) If the tax is based on an assessment made or determined by the  
37 department of local government finance, the county auditor shall not  
38 correct an error described under subsection (a)(6), (a)(7), or (a)(8) until



1 after the correction is either approved by the department of local  
2 government finance or ordered by the tax court.

3 (d) If the tax is not based on an assessment made or determined by  
4 the department of local government finance, the county auditor shall  
5 correct an error described under subsection (a)(6), (a)(7), or (a)(8) only  
6 if the correction is first approved by at least two (2) of the following  
7 officials:

8 (1) The township assessor (if any).

9 (2) The county auditor.

10 (3) The county assessor.

11 If two (2) of these officials do not approve such a correction, the county  
12 auditor shall refer the matter to the county board for determination. The  
13 county board shall provide a copy of the determination to the taxpayer  
14 and to the county auditor.

15 (e) A taxpayer may appeal a determination of the county board to  
16 the Indiana board for a final administrative determination. An appeal  
17 under this section shall be conducted in the same manner as appeals  
18 under sections 4 through 8 of this chapter. The Indiana board shall send  
19 the final administrative determination to the taxpayer, the county  
20 auditor, the county assessor, and the township assessor (if any).

21 (f) If a correction or change is made in the tax duplicate after it is  
22 delivered to the county treasurer, the county auditor shall transmit a  
23 certificate of correction to the county treasurer. The county treasurer  
24 shall keep the certificate as the voucher for settlement with the county  
25 auditor.

26 (g) A taxpayer that files a personal property tax return under  
27 IC 6-1.1-3 may not petition under this section for the correction of an  
28 error made by the taxpayer on the taxpayer's personal property tax  
29 return. If the taxpayer wishes to correct an error made by the taxpayer  
30 on the taxpayer's personal property tax return, the taxpayer must  
31 instead file an amended personal property tax return under  
32 IC 6-1.1-3-7.5.

33 (h) A taxpayer that files a statement under IC 6-1.1-8-19 may not  
34 petition under this section for the correction of an error made by the  
35 taxpayer on the taxpayer's statement. If the taxpayer wishes to correct  
36 an error made by the taxpayer on the taxpayer's statement, the taxpayer  
37 must instead initiate an objection under IC 6-1.1-8-28 or an appeal  
38 under IC 6-1.1-8-30.



(i) ~~A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead file an amended statement not more than six (6) months after the due date of the statement.~~

SECTION 65. IC 6-1.1-17-0.5, AS AMENDED BY P.L.144-2008, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

- (1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit.
- (2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.
- (3) The owner of the property has discontinued all business operations on the property.
- (4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing unit located in the county, the county auditor may reduce for a calendar year the taxing unit's assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing unit for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing unit's assessed value under this subsection only to enable the taxing unit to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from any or a combination of the following:

- (1) Successful appeals of the assessed value of property located in the taxing unit.
- (2) Deductions under IC 6-1.1-12-37 **and IC 6-1.1-12-37.5** that



1 result from the granting of applications for the ~~homestead credit~~  
 2 **standard deduction** for the calendar year under ~~IC 6-1.1-20.9-3~~  
 3 ~~or IC 6-1.1-20.9-3.5~~ **IC 6-1.1-12-37 or IC 6-1.1-12-44** after the  
 4 county auditor certifies assessed value as described in this  
 5 section.

6 (3) Deductions that result from the granting of applications for  
 7 deductions for the calendar year under IC 6-1.1-12-44 after the  
 8 county auditor certifies assessed value as described in this  
 9 section.

10 Not later than December 31 of each year, the county auditor shall send  
 11 a certified statement, under the seal of the board of county  
 12 commissioners, to the fiscal officer of each political subdivision of the  
 13 county and to the department of local government finance. The  
 14 certified statement must list any adjustments to the amount of the  
 15 reduction under this subsection and the information submitted under  
 16 section 1 of this chapter that are necessary as the result of processing  
 17 homestead credit applications and deduction applications that are filed  
 18 after the county auditor certifies assessed value as described in this  
 19 section. The county auditor shall keep separately on the tax duplicate  
 20 the amount of any reductions made under this subsection. The  
 21 maximum amount of the reduction authorized under this subsection is  
 22 determined under subsection (e).

23 (e) The amount of the reduction in a taxing unit's assessed value for  
 24 a calendar year under subsection (d) may not exceed two percent (2%)  
 25 of the assessed value of tangible property subject to assessment in the  
 26 taxing unit in that calendar year.

27 (f) The amount of a reduction under subsection (d) may not be  
 28 offered in a proceeding before the:

- 29 (1) county property tax assessment board of appeals;
- 30 (2) Indiana board; or
- 31 (3) Indiana tax court;

32 as evidence that a particular parcel has been improperly assessed.

33 SECTION 66. IC 6-1.1-17-1, AS AMENDED BY P.L.146-2008,  
 34 SECTION 146, IS AMENDED TO READ AS FOLLOWS  
 35 [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) On or before August 1  
 36 of each year, the county auditor shall send a certified statement, under  
 37 the seal of the board of county commissioners, to the fiscal officer of  
 38 each political subdivision of the county and the department of local



- 1 government finance. The statement shall contain:
- 2 (1) information concerning the assessed valuation in the political
- 3 subdivision for the next calendar year;
- 4 (2) an estimate of the taxes to be distributed to the political
- 5 subdivision during the last six (6) months of the current calendar
- 6 year;
- 7 (3) the current assessed valuation as shown on the abstract of
- 8 charges;
- 9 (4) the average growth in assessed valuation in the political
- 10 subdivision over the preceding three (3) budget years; ~~excluding~~
- 11 ~~years in which a general reassessment occurs, determined~~
- 12 ~~according to procedures established by the department of local~~
- 13 ~~government finance;~~
- 14 (5) the amount of the political subdivision's assessed valuation
- 15 reduction determined under section 0.5(d) of this chapter;
- 16 (6) for counties with taxing units that cross into or intersect with
- 17 other counties, the assessed valuation as shown on the most
- 18 current abstract of property; and
- 19 (7) any other information at the disposal of the county auditor that
- 20 might affect the assessed value used in the budget adoption
- 21 process.
- 22 (b) The estimate of taxes to be distributed shall be based on:
- 23 (1) the abstract of taxes levied and collectible for the current
- 24 calendar year, less any taxes previously distributed for the
- 25 calendar year; and
- 26 (2) any other information at the disposal of the county auditor
- 27 which might affect the estimate.
- 28 (c) The fiscal officer of each political subdivision shall present the
- 29 county auditor's statement to the proper officers of the political
- 30 subdivision.
- 31 (d) Subject to subsection (e) and except as provided in subsection
- 32 (f), after the county auditor sends a certified statement under subsection
- 33 (a) or an amended certified statement under this subsection with
- 34 respect to a political subdivision and before the department of local
- 35 government finance certifies its action with respect to the political
- 36 subdivision under section 16(f) of this chapter, the county auditor may
- 37 amend the information concerning assessed valuation included in the
- 38 earlier certified statement. The county auditor shall send a certified



statement amended under this subsection, under the seal of the board of county commissioners, to:

- (1) the fiscal officer of each political subdivision affected by the amendment; and
- (2) the department of local government finance.

(e) Except as provided in subsection (g), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

(f) Subsection (d) does not apply to an adjustment of assessed valuation under IC 36-7-15.1-26.9(d).

(g) The county auditor is not required to hold a public hearing under subsection (e) if:

- (1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;
- (2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or
- (3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision.

SECTION 67. IC 6-1.1-17-3, AS AMENDED BY P.L.146-2008, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and



(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before ~~August~~ **September** 10 of the calendar year. ~~A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.~~

~~(b) Beginning in 2010, before October 1 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:~~

~~(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(c) (before July 1, 2008) or IC 6-1.1-15-1 (after June 30, 2008);~~

~~(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:~~

~~(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);~~

~~(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;~~

~~(C) any credits that apply in the determination of the tax liability; and~~

~~(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:~~

~~(i) the county board of tax adjustment; or~~

~~(ii) the department of local government finance;~~



(3) a prominently displayed notation that:

(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and

(B) based on various factors, including potential actions by:

(i) the county board of tax adjustment; or

(ii) the department of local government finance;

it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).

(c) The department of local government finance shall:

(1) prescribe a form for; and

(2) provide assistance to county auditors in preparing; statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).

(d) **(b)** The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

~~(e)~~ **(c)** The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

~~(f)~~ This subsection expires January 1, 2009. A county shall adopt with the county budget and the department of local government finance



shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund;

(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund;

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 68. IC 6-1.1-17-3.5, AS ADDED BY P.L.146-2008, SECTION 148, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.5. (a) This section does not apply to civil taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a civil taxing unit that has its proposed budget and proposed property tax levy approved under IC 6-1.1-17-20 or IC 36-3-6-9.

(b) This section applies to a civil taxing unit other than a county. If a civil taxing unit will impose property taxes due and payable in the ensuing calendar year, the civil taxing unit shall file with the fiscal body of the county in which the civil taxing unit is located:

(1) a statement of the proposed or estimated tax rate and tax levy for the civil taxing unit for the ensuing budget year; and

(2) a copy of the civil taxing unit's proposed budget for the ensuing budget year.

(c) In the case of a civil taxing unit located in more than one (1) county, the civil taxing unit shall file the information under subsection (b) with the fiscal body of the county in which the greatest part of the civil taxing unit's net assessed valuation is located.

(d) A civil taxing unit must file the information under subsection (b) at least ~~fifteen (15)~~ **forty-five (45)** days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter.

(e) A county fiscal body shall **complete the following at least fifteen (15) days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter:**



(1) Review any proposed or estimated tax rate or tax levy or proposed budget filed by a civil taxing unit with the county fiscal body under this section. ~~and~~

(2) Issue a nonbinding recommendation to a civil taxing unit regarding the civil taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

(f) The recommendation under subsection (e) must include a comparison of any increase in the civil taxing unit's budget or tax levy to:

(1) the average increase in Indiana nonfarm personal income for the preceding six (6) calendar years and the average increase in nonfarm personal income for the county for the preceding six (6) calendar years; and

(2) increases in the budgets and tax levies of other civil taxing units in the county.

(g) The department of local government finance must provide each county fiscal body with the most recent available information concerning increases in Indiana nonfarm personal income and increases in county nonfarm personal income.

**(h) If a civil taxing unit fails to file the information required by subsection (b) with the fiscal body of the county in which the civil taxing unit is located by the time prescribed in subsection (d), the most recent annual appropriations and annual tax levy of that civil taxing unit are continued for the ensuing budget year.**

**(i) If a county fiscal body fails to complete the requirements of subsection (e) before the deadline in subsection (e) for any civil taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the county are continued for the ensuing budget year.**

SECTION 69. IC 6-1.1-17-5, AS AMENDED BY P.L.146-2008, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty



- 1           thousand (120,000), not later than:
- 2           (A) the time required in section 5.6(b) of this chapter; or
- 3           (B) for budget years beginning before July 1, 2010, ~~September~~
- 4           **30 November 1** if a resolution adopted under section 5.6(d) of
- 5           this chapter is in effect.
- 6           (2) The proper officers of all other political subdivisions, not later
- 7           than ~~September 30~~ **November 1**.
- 8           (3) The governing body of each school corporation (including a
- 9           school corporation described in subdivision (1)), not later than the
- 10          time required under section 5.6(b) of this chapter for budget years
- 11          beginning after June 30, 2010.
- 12          Except in a consolidated city and county and in a second class city, the
- 13          public hearing required by section 3 of this chapter must be completed
- 14          at least ten (10) days before the proper officers of the political
- 15          subdivision meet to fix the budget, tax rate, and tax levy. In a
- 16          consolidated city and county and in a second class city, that public
- 17          hearing, by any committee or by the entire fiscal body, may be held at
- 18          any time after introduction of the budget.
- 19          (b) Ten (10) or more taxpayers may object to a budget, tax rate, or
- 20          tax levy of a political subdivision fixed under subsection (a) by filing
- 21          an objection petition with the proper officers of the political
- 22          subdivision not more than seven (7) days after the hearing. The
- 23          objection petition must specifically identify the provisions of the
- 24          budget, tax rate, and tax levy to which the taxpayers object.
- 25          (c) If a petition is filed under subsection (b), the fiscal body of the
- 26          political subdivision shall adopt with its budget a finding concerning
- 27          the objections in the petition and any testimony presented at the
- 28          adoption hearing.
- 29          (d) This subsection does not apply to a school corporation. Each
- 30          year at least two (2) days before the first meeting ~~after September 20~~
- 31          of the county board of tax adjustment held under IC 6-1.1-29-4, a
- 32          political subdivision shall file with the county auditor:
- 33               (1) a statement of the tax rate and levy fixed by the political
- 34               subdivision for the ensuing budget year;
- 35               (2) two (2) copies of the budget adopted by the political
- 36               subdivision for the ensuing budget year; and
- 37               (3) two (2) copies of any findings adopted under subsection (c).
- 38          Each year the county auditor shall present these items to the county



board of tax adjustment at the board's first meeting under IC 6-1.1-29-4. ~~after September 20 of that year.~~

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 70. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.6. (a) For budget years beginning before July 1, 2010, this section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, 2010, this section applies to all school corporations. Beginning in 2010, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in 2010 under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year 2010.

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 30.

(c) Each year, at least two (2) days before the first meeting ~~after September 20~~ of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the school corporation



1 for the ensuing budget year; and

2 (3) any written notification from the department of local  
3 government finance under section 16(i) of this chapter that  
4 specifies a proposed revision, reduction, or increase in the budget  
5 adopted by the school corporation for the ensuing budget year.

6 Each year the county auditor shall present these items to the county  
7 board of tax adjustment at the board's first meeting ~~after September 20~~  
8 ~~of that year.~~ **under IC 6-1.1-29-4.**

9 (d) This subsection does not apply to budget years after June 30,  
10 2010. The governing body of the school corporation may adopt a  
11 resolution to cease using a school year budget year and return to using  
12 a calendar year budget year. A resolution adopted under this subsection  
13 must be adopted after January 1 and before July 1. The school  
14 corporation's initial calendar year budget year following the adoption  
15 of a resolution under this subsection begins on January 1 of the year  
16 following the year the resolution is adopted. The first six (6) months of  
17 the initial calendar year budget for the school corporation must be  
18 consistent with the last six (6) months of the final school year budget  
19 fixed by the department of local government finance before the  
20 adoption of a resolution under this subsection. Notwithstanding any  
21 resolution adopted under this subsection, beginning in 2010, each  
22 school corporation shall adopt a budget under this section that applies  
23 from July 1 of the year through June 30 of the following year.

24 (e) A resolution adopted under subsection (d) may be rescinded by  
25 a subsequent resolution adopted by the governing body. If the  
26 governing body of the school corporation rescinds a resolution adopted  
27 under subsection (d) and returns to a school year budget year, the  
28 school corporation's initial school year budget year begins on July 1  
29 following the adoption of the rescinding resolution and ends on June  
30 30 of the following year. The first six (6) months of the initial school  
31 year budget for the school corporation must be consistent with the last  
32 six (6) months of the last calendar year budget fixed by the department  
33 of local government finance before the adoption of a rescinding  
34 resolution under this subsection.

35 SECTION 71. IC 6-1.1-17-9, AS AMENDED BY P.L.146-2008,  
36 SECTION 154, IS AMENDED TO READ AS FOLLOWS  
37 [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) The county board of tax  
38 adjustment shall complete the duties assigned to it under this chapter



on or before ~~October 1st~~ **November 2** of each year, except that in a consolidated city and county and in a county containing a second class city, the duties of this board need not be completed until ~~November~~ **December 1** of each year.

(b) If the county board of tax adjustment fails to complete the duties assigned to it within the time prescribed in this section or to reduce aggregate tax rates so that they do not exceed the maximum rates permitted under IC 6-1.1-18, the county auditor shall calculate and fix the tax rate within each political subdivision of the county so that the maximum rate permitted under IC 6-1.1-18 is not exceeded.

(c) When the county auditor calculates and fixes tax rates, the county auditor shall send a certificate notice of those rates to each political subdivision of the county. The county auditor shall send these notices within five (5) days after:

(1) publication of the notice required by section 12 of this chapter; **or**

**(2) the tax rates are calculated and fixed by the county auditor;**

**whichever applies.**

(d) When the county auditor calculates and fixes tax rates, that action shall be treated as if it were the action of the county board of tax adjustment.

SECTION 72. IC 6-1.1-17-12, AS AMENDED BY P.L.146-2008, SECTION 157, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. ~~As soon as~~ **If** the budgets, tax rates, ~~and or~~ tax levies are ~~approved or~~ modified by the county board of tax adjustment **or county auditor**, the county auditor shall within fifteen (15) days **of the modification** prepare a notice of the tax rates to be charged on each one hundred dollars (\$100) of assessed valuation for the various funds in each taxing district. The notice shall also inform the taxpayers of the manner in which they may initiate an appeal **of the modification by the county board's action: board or county auditor.** The county auditor shall post the notice at the county courthouse and publish it in two (2) newspapers which represent different political parties and which have a general circulation in the county.

SECTION 73. IC 6-1.1-17-13, AS AMENDED BY P.L.228-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2009]: Sec. 13. (a) Ten (10) or more taxpayers or one (1) taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision may initiate an appeal from the county board of tax adjustment's ~~action on~~ **or county auditor's modification of** a political subdivision's budget, **tax rate, or tax levy**, by filing a statement of their objections with the county auditor. The statement must be filed not later than ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget, ~~and tax rate, or~~ tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the department of local government finance.

(b) The department of local government finance shall:

(1) subject to subsection (c), give notice to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer, of the date, time, and location of the hearing on the objection statement filed under subsection (a);

(2) conduct a hearing on the objection; and

(3) after the hearing:

(A) consider the testimony and evidence submitted at the hearing; and

(B) mail the department's:

(i) written determination; and

(ii) written statement of findings;

to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer.

The department of local government finance may hold the hearing in conjunction with the hearing required under IC 6-1.1-17-16.

(c) The department of local government finance shall provide written notice to:

(1) the first ten (10) taxpayers whose names appear on the petition; or



(2) the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer; at least five (5) days before the date of the hearing.

SECTION 74. IC 6-1.1-17-14, AS AMENDED BY P.L.146-2008, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body or the county board of tax adjustment reduces

(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance.

(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services, for property taxes first due and payable before January 1, 2009; or

(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services, for property taxes first due and payable before January 1, 2009.

SECTION 75. IC 6-1.1-17-15, AS AMENDED BY P.L.146-2008, SECTION 159, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. A political subdivision may appeal to the department of local government finance for an increase in its tax rate or tax levy as ~~fixed~~ **modified** by the county board of tax adjustment or the county auditor. To initiate the appeal, the political subdivision must file a statement with the department of local government finance not later than ten (10) days after publication of the notice required by section 12 of this chapter. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be signed by the following officers:

(1) In the case of counties, by the board of county commissioners and by the president of the county council.

(2) In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body.

SECTION 76. IC 6-1.1-17-16, AS AMENDED BY P.L.146-2008,



1 SECTION 160, IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Subject to the limitations  
3 and requirements prescribed in this section, the department of local  
4 government finance may revise, reduce, or increase a political  
5 subdivision's budget by fund, tax rate, or tax levy which the department  
6 reviews under section 8 or 10 of this chapter.

7 (b) Subject to the limitations and requirements prescribed in this  
8 section, the department of local government finance may review,  
9 revise, reduce, or increase the budget by fund, tax rate, or tax levy of  
10 any of the political subdivisions whose tax rates compose the aggregate  
11 tax rate within a political subdivision whose budget, tax rate, or tax  
12 levy is the subject of an appeal initiated under this chapter.

13 (c) Except as provided in subsections (j) and (k), before the  
14 department of local government finance reviews, revises, reduces, or  
15 increases a political subdivision's budget by fund, tax rate, or tax levy  
16 under this section, the department must hold a public hearing on the  
17 budget, tax rate, and tax levy. The department of local government  
18 finance shall hold the hearing in the county in which the political  
19 subdivision is located. The department of local government finance  
20 may consider the budgets by fund, tax rates, and tax levies of several  
21 political subdivisions at the same public hearing. At least five (5) days  
22 before the date fixed for a public hearing, the department of local  
23 government finance shall give notice of the time and place of the  
24 hearing and of the budgets by fund, levies, and tax rates to be  
25 considered at the hearing. The department of local government finance  
26 shall publish the notice in two (2) newspapers of general circulation  
27 published in the county. However, if only one (1) newspaper of general  
28 circulation is published in the county, the department of local  
29 government finance shall publish the notice in that newspaper.

30 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,  
31 the department of local government finance may not increase a political  
32 subdivision's budget by fund, tax rate, or tax levy to an amount which  
33 exceeds the amount originally fixed by the political subdivision.  
34 However, if the department of local government finance determines  
35 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the  
36 political subdivision, the maximum amount by which the department  
37 may increase the tax rate, tax levy, or budget is the amount originally  
38 fixed by the political subdivision, and not the amount that was



incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has ~~two (2)~~ **weeks ten (10) calendar days** from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):



- 1 (1) If the department acts under an appeal initiated by a political
- 2 subdivision, the political subdivision.
- 3 (2) If the department:
- 4 (A) acts under an appeal initiated by one (1) or more taxpayers
- 5 under section 13 of this chapter; or
- 6 (B) fails to act on the appeal before the department certifies its
- 7 action under subsection (f);
- 8 a taxpayer who signed the statement filed to initiate the appeal.
- 9 (3) If the department acts under an appeal initiated by the county
- 10 auditor under section 14 of this chapter, the county auditor.
- 11 (4) A taxpayer that owns property that represents at least ten
- 12 percent (10%) of the taxable assessed valuation in the political
- 13 subdivision.
- 14 The petition must be filed in the tax court not more than forty-five (45)
- 15 days after the department certifies its action under subsection (f).
- 16 (h) The department of local government finance is expressly
- 17 directed to complete the duties assigned to it under this section not later
- 18 than February 15th of each year for taxes to be collected during that
- 19 year.
- 20 (i) Subject to the provisions of all applicable statutes, the
- 21 department of local government finance may increase a political
- 22 subdivision's tax levy to an amount that exceeds the amount originally
- 23 fixed by the political subdivision if the increase is:
- 24 (1) requested in writing by the officers of the political
- 25 subdivision;
- 26 (2) either:
- 27 (A) based on information first obtained by the political
- 28 subdivision after the public hearing under section 3 of this
- 29 chapter; or
- 30 (B) results from an inadvertent mathematical error made in
- 31 determining the levy; and
- 32 (3) published by the political subdivision according to a notice
- 33 provided by the department.
- 34 (j) The department of local government finance shall annually
- 35 review the budget by fund of each school corporation not later than
- 36 April 1. The department of local government finance shall give the
- 37 school corporation written notification specifying any revision,
- 38 reduction, or increase the department proposes in the school



corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in section 12 of this chapter is published at least ten (10) days before the date of the hearing.

SECTION 77. IC 6-1.1-17-20, AS AMENDED BY P.L.146-2008, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 20. (a)

This section applies

~~(1)~~ to each governing body of a taxing unit that:

(1) is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) if ~~the~~ either:

(A) is:

(i) a conservancy district subject to IC 14-33-9;

(ii) a solid waste management district subject to IC 13-21; or

(iii) a fire protection district subject to IC 36-8-11-18; or

(B) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year **that** is more than the result of:

~~(A)~~ (i) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

~~(B)~~ (ii) one (1).

**For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.**

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) This subsection does not apply to a public library. If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or



(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least ~~fourteen (14)~~ **thirty (30)** days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least ~~fourteen (14)~~ **thirty (30)** days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

**(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.**

**(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.**

SECTION 78. IC 6-1.1-17-20.5, AS ADDED BY P.L.146-2008, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 20.5. (a) This section applies to the governing body of a taxing unit unless a majority of the governing body is comprised of officials who are elected to serve on the governing body. **For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official**



1 **who was not elected to serve on the governing body.**

2 (b) As used in this section, "taxing unit" has the meaning set forth  
3 in IC 6-1.1-1-21, except that the term does not include:

4 **(1) a school corporation; or**

5 **(2) an entity whose tax levies are subject to review and**  
6 **modification by a city-county legislative body under IC 36-3-6-9.**

7 **(c) This subsection does not apply to a public library. If:**

8 (1) the assessed valuation of a taxing unit is entirely contained  
9 within a city or town; or

10 (2) the assessed valuation of a taxing unit is not entirely contained  
11 within a city or town but the taxing unit was originally established  
12 by the city or town;

13 the governing body of the taxing unit may not issue bonds or enter into  
14 a lease payable in whole or in part from property taxes unless it obtains  
15 the approval of the city or town fiscal body.

16 (d) This subsection applies to a taxing unit not described in  
17 subsection (c). The governing body of the taxing unit may not issue  
18 bonds or enter into a lease payable in whole or in part from property  
19 taxes unless it obtains the approval of the county fiscal body in the  
20 county where the taxing unit has the most net assessed valuation.

21 SECTION 79. IC 6-1.1-18-2, AS AMENDED BY P.L.146-2008,  
22 SECTION 165, IS AMENDED TO READ AS FOLLOWS  
23 [EFFECTIVE JULY 1, 2009]: Sec. 2. ~~(a) Before January 1, 2009, the~~  
24 ~~state may not impose a combined ad valorem property tax rate on~~  
25 ~~tangible property that exceeds the sum of the ad valorem property tax~~  
26 ~~rates permitted under IC 4-9.1-1-8, IC 14-23-3-3, and IC 15-1.5-7-3~~  
27 ~~(before July 1, 2008) and IC 15-13-8-3 (after June 30, 2008, and before~~  
28 ~~January 1, 2009). The state tax rate is not subject to review by county~~  
29 ~~boards of tax adjustment or county auditors.~~

30 ~~(b)~~ **(a)** Except as permitted under IC 4-9.1-1-8 to repay notes issued  
31 to meet casual deficits in state revenue, the state may not impose an ad  
32 valorem property tax rate on tangible property after December 31,  
33 2008.

34 ~~(c)~~ **(b)** This section does not apply to political subdivisions of the  
35 state.

36 SECTION 80. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008,  
37 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
38 [EFFECTIVE JANUARY 1, 2010]: Sec. 12. (a) For purposes of this



- 1 section, "maximum rate" refers to the maximum:  
 2 (1) property tax rate or rates; or  
 3 (2) special benefits tax rate or rates;  
 4 referred to in the statutes listed in subsection (d).  
 5 (b) The maximum rate for taxes first due and payable after 2003 is  
 6 the maximum rate that would have been determined under subsection  
 7 (e) for taxes first due and payable in 2003 if subsection (e) had applied  
 8 for taxes first due and payable in 2003.  
 9 (c) The maximum rate must be adjusted each year to account for the  
 10 change in assessed value of real property that results from:  
 11 (1) an annual adjustment of the assessed value of real property  
 12 under IC 6-1.1-4-4.5; or  
 13 (2) a ~~general~~ reassessment of real property **under a county's**  
 14 **reassessment plan** under IC 6-1.1-4-4.  
 15 (d) The statutes to which subsection (a) refers are:  
 16 (1) IC 8-10-5-17;  
 17 (2) IC 8-22-3-11;  
 18 (3) IC 8-22-3-25;  
 19 (4) IC 12-29-1-1;  
 20 (5) IC 12-29-1-2;  
 21 (6) IC 12-29-1-3;  
 22 (7) IC 12-29-3-6;  
 23 (8) IC 13-21-3-12;  
 24 (9) IC 13-21-3-15;  
 25 (10) IC 14-27-6-30;  
 26 (11) IC 14-33-7-3;  
 27 (12) IC 14-33-21-5;  
 28 (13) IC 15-14-7-4;  
 29 (14) IC 15-14-9-1;  
 30 (15) IC 15-14-9-2;  
 31 (16) IC 16-20-2-18;  
 32 (17) IC 16-20-4-27;  
 33 (18) IC 16-20-7-2;  
 34 (19) IC 16-22-14;  
 35 (20) IC 16-23-1-29;  
 36 (21) IC 16-23-3-6;  
 37 (22) IC 16-23-4-2;  
 38 (23) IC 16-23-5-6;



- 1 (24) IC 16-23-7-2;
- 2 (25) IC 16-23-8-2;
- 3 (26) IC 16-23-9-2;
- 4 (27) IC 16-41-15-5;
- 5 (28) IC 16-41-33-4;
- 6 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 7 (30) IC 20-46-6-5;
- 8 (31) IC 20-49-2-10;
- 9 (32) IC 36-1-19-1;
- 10 (33) IC 23-14-66-2;
- 11 (34) IC 23-14-67-3;
- 12 (35) IC 36-7-13-4;
- 13 (36) IC 36-7-14-28;
- 14 (37) IC 36-7-15.1-16;
- 15 (38) IC 36-8-19-8.5;
- 16 (39) IC 36-9-6.1-2;
- 17 (40) IC 36-9-17.5-4;
- 18 (41) IC 36-9-27-73;
- 19 (42) IC 36-9-29-31;
- 20 (43) IC 36-9-29.1-15;
- 21 (44) IC 36-10-6-2;
- 22 (45) IC 36-10-7-7;
- 23 (46) IC 36-10-7-8;
- 24 (47) IC 36-10-7.5-19;
- 25 (48) IC 36-10-13-5;
- 26 (49) IC 36-10-13-7;
- 27 (50) IC 36-10-14-4;
- 28 (51) IC 36-12-7-7;
- 29 (52) IC 36-12-7-8;
- 30 (53) IC 36-12-12-10; and
- 31 (54) any statute enacted after December 31, 2003, that:
- 32 (A) establishes a maximum rate for any part of the:
- 33 (i) property taxes; or
- 34 (ii) special benefits taxes;
- 35 imposed by a political subdivision; and
- 36 (B) does not exempt the maximum rate from the adjustment
- 37 under this section.
- 38 (e) The new maximum rate under a statute listed in subsection (d)



1 is the tax rate determined under STEP SEVEN of the following STEPS:

2 STEP ONE: Determine the maximum rate for the political

3 subdivision levying a property tax or special benefits tax under

4 the statute for the year preceding the year in which the annual

5 adjustment or ~~general~~ reassessment **under a county's**

6 **reassessment plan** takes effect.

7 STEP TWO: Determine the actual percentage increase (rounded

8 to the nearest one-hundredth percent (0.01%)) in the assessed

9 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the

10 taxable property from the year preceding the year the annual

11 adjustment or ~~general~~ reassessment **under a county's**

12 **reassessment plan** takes effect to the year that the annual

13 adjustment or ~~general~~ reassessment takes effect.

14 STEP THREE: Determine the three (3) calendar years that

15 immediately precede the ensuing calendar year. ~~and in which a~~

16 ~~statewide general reassessment of real property does not first take~~

17 ~~effect.~~

18 STEP FOUR: Compute separately, for each of the calendar years

19 determined in STEP THREE, the actual percentage increase

20 (rounded to the nearest one-hundredth percent (0.01%)) in the

21 assessed value (before the adjustment, if any, under

22 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

23 STEP FIVE: Divide the sum of the three (3) quotients computed

24 in STEP FOUR by three (3).

25 STEP SIX: Determine the greater of the following:

26 (A) Zero (0).

27 (B) The result of the STEP TWO percentage minus the STEP

28 FIVE percentage.

29 STEP SEVEN: Determine the quotient of the STEP ONE tax rate

30 divided by the sum of one (1) plus the STEP SIX percentage

31 increase.

32 (f) The department of local government finance shall compute the

33 maximum rate allowed under subsection (e) and provide the rate to

34 each political subdivision with authority to levy a tax under a statute

35 listed in subsection (d).

36 SECTION 81. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,

37 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

38 JANUARY 1, 2010]: Sec. 13. (a) The maximum property tax rate



1 levied under IC 20-46-6 by each school corporation for the school  
 2 corporation's capital projects fund must be adjusted each year to  
 3 account for the change in assessed value of real property that results  
 4 from:

5 (1) an annual adjustment of the assessed value of real property  
 6 under IC 6-1.1-4-4.5; or

7 (2) a ~~general~~ reassessment of real property **under a county's**  
 8 **reassessment plan** under IC 6-1.1-4-4.

9 (b) The new maximum rate under this section is the tax rate  
 10 determined under STEP SEVEN of the following formula:

11 STEP ONE: Determine the maximum rate for the school  
 12 corporation for the year preceding the year in which the annual  
 13 adjustment or ~~general~~ reassessment **under a county's**  
 14 **reassessment plan** takes effect.

15 STEP TWO: Determine the actual percentage increase (rounded  
 16 to the nearest one-hundredth percent (0.01%)) in the assessed  
 17 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the  
 18 taxable property from the year preceding the year the annual  
 19 adjustment or ~~general~~ reassessment **under a county's**  
 20 **reassessment plan** takes effect to the year that the annual  
 21 adjustment or ~~general~~ reassessment is effective.

22 STEP THREE: Determine the three (3) calendar years that  
 23 immediately precede the ensuing calendar year. ~~and in which a~~  
 24 ~~statewide general reassessment of real property does not first~~  
 25 ~~become effective.~~

26 STEP FOUR: Compute separately, for each of the calendar years  
 27 determined in STEP THREE, the actual percentage increase  
 28 (rounded to the nearest one-hundredth percent (0.01%)) in the  
 29 assessed value (before the adjustment, if any, under  
 30 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

31 STEP FIVE: Divide the sum of the three (3) quotients computed  
 32 in STEP FOUR by three (3).

33 STEP SIX: Determine the greater of the following:

34 (A) Zero (0).

35 (B) The result of the STEP TWO percentage minus the STEP  
 36 FIVE percentage.

37 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 38 divided by the sum of one (1) plus the STEP SIX percentage



1 increase.

2 (c) The department of local government finance shall compute the  
3 maximum rate allowed under subsection (b) and provide the rate to  
4 each school corporation.

5 SECTION 82. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006,  
6 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JANUARY 1, 2010]: Sec. 1. As used in this chapter:

8 "Ad valorem property tax levy for an ensuing calendar year" means  
9 the total property taxes imposed by a civil taxing unit for current  
10 property taxes collectible in that ensuing calendar year.

11 "Adopting county" means any county in which the county adjusted  
12 gross income tax is in effect.

13 "Civil taxing unit" means any taxing unit except a school  
14 corporation.

15 "Maximum permissible ad valorem property tax levy for the  
16 preceding calendar year" means the greater of:

17 (1) the remainder of:

18 (A) the civil taxing unit's maximum permissible ad valorem  
19 property tax levy for the calendar year immediately preceding  
20 the ensuing calendar year, as that levy was determined under  
21 section 3 of this chapter; minus

22 (B) one-half (1/2) of the remainder of:

23 (i) the civil taxing unit's maximum permissible ad valorem  
24 property tax levy referred to in clause (A); minus

25 (ii) the civil taxing unit's ad valorem property tax levy for  
26 the calendar year immediately preceding the ensuing  
27 calendar year referred to in subdivision (2); or

28 (2) the civil taxing unit's ad valorem property tax levy for the  
29 calendar year immediately preceding the ensuing calendar year,  
30 as that levy was determined by the department of local  
31 government finance in fixing the civil taxing unit's budget, levy,  
32 and rate for that preceding calendar year under IC 6-1.1-17, and  
33 after eliminating the effects of temporary excessive levy appeals  
34 and temporary adjustments made to the working maximum levy  
35 for the calendar year immediately preceding the ensuing calendar  
36 year, as determined by the department of local government  
37 finance.

38 "Taxable property" means all tangible property that is subject to the



1 tax imposed by this article and is not exempt from the tax under  
 2 IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this  
 3 chapter, the term "taxable property" is further defined in section 6 of  
 4 this chapter.

5 "Unadjusted assessed value" means the assessed value of a civil  
 6 taxing unit as determined by local assessing officials and the  
 7 department of local government finance in a particular calendar year  
 8 before the application of an annual adjustment under IC 6-1.1-4-4.5 for  
 9 that particular calendar year or any calendar year since the last ~~general~~  
 10 reassessment **under a county's reassessment plan** preceding the  
 11 particular calendar year.

12 SECTION 83. IC 6-1.1-18.5-7, AS AMENDED BY P.L.146-2008,  
 13 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) A civil taxing unit is not  
 15 subject to the levy limits imposed by section 3 of this chapter for an  
 16 ensuing calendar year if the civil taxing unit did not adopt an ad  
 17 valorem property tax levy for the immediately preceding calendar year.

18 (b) If under subsection (a) a civil taxing unit is not subject to the  
 19 levy limits imposed under section 3 of this chapter for a calendar year,  
 20 the civil taxing unit shall refer its proposed budget, ad valorem  
 21 property tax levy, and property tax rate for that calendar year to ~~the~~  
 22 ~~local government tax control board established by section 11 of this~~  
 23 ~~chapter before the tax levy is advertised. The local government tax~~  
 24 ~~control board shall then review and make a recommendation to the~~  
 25 ~~department of local government finance. on the civil taxing unit's~~  
 26 ~~budget, ad valorem property tax levy, and property tax rate for that~~  
 27 ~~calendar year.~~ The department of local government finance shall make  
 28 a final determination of the civil taxing unit's budget, ad valorem  
 29 property tax levy, and property tax rate for that calendar year. However,  
 30 a civil taxing unit may not impose a property tax levy for a year if the  
 31 unit did not exist as of March 1 of the preceding year.

32 SECTION 84. IC 6-1.1-18.5-8, AS AMENDED BY P.L.146-2008,  
 33 SECTION 171, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) The ad valorem property tax  
 35 levy limits imposed by section 3 of this chapter do not apply to ad  
 36 valorem property taxes imposed by a civil taxing unit if the civil taxing  
 37 unit is committed to levy the taxes to pay or fund either:

38 (1) bonded indebtedness; or



1 (2) lease rentals under a lease with an original term of at least five  
2 (5) years.

3 (b) Except as provided by subsections (g) and (h), a civil taxing unit  
4 must file a petition requesting approval from the department of local  
5 government finance to incur bonded indebtedness or execute a lease  
6 with an original term of at least five (5) years not later than twenty-four  
7 (24) months after the first date of publication of notice of a preliminary  
8 determination under IC 6-1.1-20-3.1(2) (as in effect before July 1,  
9 2008), unless the civil taxing unit demonstrates that a longer period is  
10 reasonable in light of the civil taxing unit's facts and circumstances. A  
11 civil taxing unit must obtain approval from the department of local  
12 government finance before the civil taxing unit may:

- 13 (1) incur the bonded indebtedness; or  
14 (2) enter into the lease.

15 ~~The department of local government finance may seek~~  
16 ~~recommendations from the local government tax control board~~  
17 ~~established by section 11 of this chapter when determining whether to~~  
18 ~~authorize incurring the bonded indebtedness or the execution of the~~  
19 ~~lease.~~

20 (c) The department of local government finance shall render a  
21 decision within three (3) months after the date it receives a request for  
22 approval under subsection (b). However, the department of local  
23 government finance may extend this three (3) month period by an  
24 additional three (3) months if, at least ten (10) days before the end of  
25 the original three (3) month period, the department sends notice of the  
26 extension to the executive officer of the civil taxing unit. A civil taxing  
27 unit may petition for judicial review of the final determination of the  
28 department of local government finance under this section. The petition  
29 must be filed in the tax court not more than forty-five (45) days after  
30 the department enters its order under this section.

31 (d) A civil taxing unit does not need approval under subsection (b)  
32 to obtain temporary loans made in anticipation of and to be paid from  
33 current revenues of the civil taxing unit actually levied and in the  
34 course of collection for the fiscal year in which the loans are made.

35 (e) For purposes of computing the ad valorem property tax levy  
36 limits imposed on a civil taxing unit by section 3 of this chapter, the  
37 civil taxing unit's ad valorem property tax levy for a calendar year does  
38 not include that part of its levy that is committed to fund or pay bond



1 indebtedness or lease rentals with an original term of five (5) years in  
2 subsection (a).

3 (f) A taxpayer may petition for judicial review of the final  
4 determination of the department of local government finance under this  
5 section. The petition must be filed in the tax court not more than thirty  
6 (30) days after the department enters its order under this section.

7 (g) This subsection applies only to bonds, leases, and other  
8 obligations for which a civil taxing unit:

9 (1) after June 30, 2008, makes a preliminary determination as  
10 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as  
11 described in IC 6-1.1-20-5; or

12 (2) in the case of bonds, leases, or other obligations payable from  
13 ad valorem property taxes but not described in subdivision (1),  
14 adopts a resolution or ordinance authorizing the bonds, lease  
15 rental agreement, or other obligations after June 30, 2008.

16 Notwithstanding any other provision, review by the department of local  
17 government finance and approval by the department of local  
18 government finance is not required before a civil taxing unit may issue  
19 or enter into bonds, a lease, or any other obligation.

20 (h) This subsection applies after June 30, 2008. Notwithstanding  
21 any other provision, review by the department of local government  
22 finance and approval by the department of local government finance is  
23 not required before a civil taxing unit may construct, alter, or repair a  
24 capital project.

25 SECTION 85. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007,  
26 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27 JANUARY 1, 2010]: Sec. 9.8. (a) For purposes of determining the  
28 property tax levy limit imposed on a city, town, or county under section  
29 3 of this chapter, the city, town, or county's ad valorem property tax  
30 levy for a particular calendar year does not include an amount equal to  
31 the lesser of:

32 (1) the amount of ad valorem property taxes that would be first  
33 due and payable to the city, town, or county during the ensuing  
34 calendar year if the taxing unit imposed the maximum permissible  
35 property tax rate per one hundred dollars (\$100) of assessed  
36 valuation that the civil taxing unit may impose for the particular  
37 calendar year under the authority of IC 36-9-14.5 (in the case of  
38 a county) or IC 36-9-15.5 (in the case of a city or town); or



- 1 (2) the excess, if any, of:
- 2 (A) the property taxes imposed by the city, town, or county
- 3 under the authority of:
- 4 IC 3-11-6-9;
- 5 IC 8-16-3;
- 6 IC 8-16-3.1;
- 7 IC 8-22-3-25;
- 8 IC 14-27-6-48;
- 9 IC 14-33-9-3;
- 10 IC 16-22-8-41;
- 11 IC 16-22-5-2 through IC 16-22-5-15;
- 12 IC 16-23-1-40;
- 13 IC 36-8-14;
- 14 IC 36-9-4-48;
- 15 IC 36-9-14;
- 16 IC 36-9-14.5;
- 17 IC 36-9-15;
- 18 IC 36-9-15.5;
- 19 IC 36-9-16;
- 20 IC 36-9-16.5;
- 21 IC 36-9-17;
- 22 IC 36-9-26;
- 23 IC 36-9-27-100;
- 24 IC 36-10-3-21; or
- 25 IC 36-10-4-36;
- 26 that are first due and payable during the ensuing calendar year;
- 27 over
- 28 (B) the property taxes imposed by the city, town, or county
- 29 under the authority of the citations listed in clause (A) that
- 30 were first due and payable during calendar year 1984.
- 31 (b) The maximum property tax rate levied under the statutes listed
- 32 in subsection (a) must be adjusted each year to account for the change
- 33 in assessed value of real property that results from:
- 34 (1) an annual adjustment of the assessed value of real property
- 35 under IC 6-1.1-4-4.5; or
- 36 (2) a ~~general~~ reassessment of real property **under a county's**
- 37 **reassessment plan** under IC 6-1.1-4-4.
- 38 (c) The new maximum rate under a statute listed in subsection (a)



1 is the tax rate determined under STEP SEVEN of the following  
2 formula:

3 STEP ONE: Determine the maximum rate for the political  
4 subdivision levying a property tax under the statute for the year  
5 preceding the year in which the annual adjustment or ~~general~~  
6 reassessment **under a county's reassessment plan** takes effect.

7 STEP TWO: Determine the actual percentage increase (rounded  
8 to the nearest one-hundredth percent (0.01%)) in the assessed  
9 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the  
10 taxable property from the year preceding the year the annual  
11 adjustment or ~~general~~ reassessment **under a county's**  
12 **reassessment plan** takes effect to the year that the annual  
13 adjustment or ~~general~~ reassessment is effective.

14 STEP THREE: Determine the three (3) calendar years that  
15 immediately precede the ensuing calendar year. ~~and in which a~~  
16 ~~statewide general reassessment of real property does not first~~  
17 ~~become effective.~~

18 STEP FOUR: Compute separately, for each of the calendar years  
19 determined in STEP THREE, the actual percentage increase  
20 (rounded to the nearest one-hundredth percent (0.01%)) in the  
21 assessed value (before the adjustment, if any, under  
22 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

23 STEP FIVE: Divide the sum of the three (3) quotients computed  
24 in STEP FOUR by three (3).

25 STEP SIX: Determine the greater of the following:

26 (A) Zero (0).

27 (B) The result of the STEP TWO percentage minus the STEP  
28 FIVE percentage.

29 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
30 divided by the sum of one (1) plus the STEP SIX percentage  
31 increase.

32 (d) The department of local government finance shall compute the  
33 maximum rate allowed under subsection (c) and provide the rate to  
34 each political subdivision with authority to levy a tax under a statute  
35 listed in subsection (a).

36 SECTION 86. IC 6-1.1-18.5-10, AS AMENDED BY P.L.146-2008,  
37 SECTION 174, IS AMENDED TO READ AS FOLLOWS  
38 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a)



~~Subject to subsection (d);~~ The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit to be used to fund:

(1) community mental health centers under:

(A) IC 12-29-2-1.2, for only those civil taxing units that authorized financial assistance under IC 12-29-1 before 2002 for a community mental health center as long as the tax levy under this section does not exceed the levy authorized in 2002;

(B) IC 12-29-2-2 through IC 12-29-2-5; and

(C) IC 12-29-2-13; or

(2) community mental retardation and other developmental disabilities centers under IC 12-29-1-1;

to the extent that those property taxes are attributable to any increase in the assessed value of the civil taxing unit's taxable property caused by a general reassessment of real property **or reassessment of real property under a county's reassessment plan** that took effect after February 28, 1979.

(b) ~~Subject to subsection (d);~~ For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy described in subsection (a).

(c) This subsection applies to property taxes first due and payable after December 31, 2008. Notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

(1) the assessed value growth quotient determined under section 2 of this chapter; minus

(2) one (1).

~~(d) The exemptions under subsections (a) and (b) from the ad valorem property tax levy limits do not apply to a civil taxing unit that did not fund a community mental health center or community mental retardation and other developmental disabilities center in 2008.~~

**(d) For a county that did not impose an ad valorem property tax levy before January 1, 2009, for the county general fund to provide financial assistance under IC 12-29-1 (community mental**



1     **retardation and other developmental disabilities center) or**  
 2     **IC 12-29-2 (community mental health center), the levy limits do not**  
 3     **apply to the part of the county's general fund that is used in the**  
 4     **first ensuing calendar year to provide financial assistance under**  
 5     **IC 12-29-1 or IC 12-29-2. The department of local government**  
 6     **finance shall review a county's proposed budget that is submitted**  
 7     **under IC 12-29-1-1 or IC 12-29-2-1.2 and make a final**  
 8     **determination of the county's financial assistance budget for the**  
 9     **first ensuing calendar year.**

10     SECTION 87. IC 6-1.1-18.5-10.5, AS AMENDED BY  
 11     P.L.146-2008, SECTION 177, IS AMENDED TO READ AS  
 12     FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10.5. (a) The ad  
 13     valorem property tax levy limits imposed by section 3 of this chapter  
 14     do not apply to ad valorem property taxes imposed by a civil taxing  
 15     unit for fire protection services within a fire protection territory under  
 16     IC 36-8-19, if the civil taxing unit is a participating unit in a fire  
 17     protection territory established before August 1, 2001. For purposes of  
 18     computing the ad valorem property tax levy limits imposed on a civil  
 19     taxing unit by section 3 of this chapter on a civil taxing unit that is a  
 20     participating unit in a fire protection territory established before August  
 21     1, 2001, the civil taxing unit's ad valorem property tax levy for a  
 22     particular calendar year does not include that part of the levy imposed  
 23     under IC 36-8-19.

24     (b) This subsection applies to a participating unit in a fire protection  
 25     territory established under IC 36-8-19 after July 31, 2001. The ad  
 26     valorem property tax levy limits imposed by section 3 of this chapter  
 27     do not apply to ad valorem property taxes imposed by a civil taxing  
 28     unit for fire protection services within a fire protection territory under  
 29     IC 36-8-19 for the three (3) calendar years in which the participating  
 30     unit levies a tax to support the territory. For purposes of computing the  
 31     ad valorem property tax levy limits imposed on a civil taxing unit by  
 32     section 3 of this chapter for the three (3) calendar years for which the  
 33     participating unit levies a tax to support the territory, the civil taxing  
 34     unit's ad valorem property tax levy for a particular calendar year does  
 35     not include that part of the levy imposed under IC 36-8-19.

36     (c) This subsection applies to property taxes first due and payable  
 37     after December 31, 2008. **Except as provided in subsection (d),**  
 38     notwithstanding subsections (a) and (b) or any other law, any property



1 taxes imposed by a civil taxing unit that are exempted by this section  
 2 from the ad valorem property tax levy limits imposed by section 3 of  
 3 this chapter may not increase annually by a percentage greater than the  
 4 result of:

- 5 (1) the assessed value growth quotient determined under section
- 6 2 of this chapter; minus
- 7 (2) one (1).

8 **(d) The limits specified in subsection (c) do not apply to a civil**  
 9 **taxing unit in the first year in which the civil taxing unit becomes**  
 10 **a participating unit in a fire protection territory established under**  
 11 **IC 36-8-19. In the first year in which a civil taxing unit becomes a**  
 12 **participating unit in a fire protection territory, the civil taxing unit**  
 13 **shall submit its proposed budget, proposed ad valorem property**  
 14 **tax levy, and proposed property tax rate for the fire protection**  
 15 **territory to the department of local government finance. The**  
 16 **department of local government finance shall make a final**  
 17 **determination of the civil taxing unit's budget, ad valorem**  
 18 **property tax levy, and property tax rate for the fire protection**  
 19 **territory for that calendar year. In making its determination under**  
 20 **this subsection, the department of local government finance shall**  
 21 **consider the amount that the civil taxing unit is obligated to**  
 22 **provide to meet the expenses of operation and maintenance of the**  
 23 **fire protection services within the territory, plus a reasonable**  
 24 **operating balance, not to exceed twenty percent (20%) of the**  
 25 **budgeted expenses. However, the department of local government**  
 26 **finance may not approve under this subsection a property tax levy**  
 27 **greater than zero (0) if the civil taxing unit did not exist as of the**  
 28 **March 1 assessment date for which the tax levy will be imposed.**  
 29 **For purposes of applying subsection (c) to the civil taxing unit's**  
 30 **property tax levy for the fire protection territory in subsequent**  
 31 **calendar years, the department of local government finance may**  
 32 **determine not to consider part or all of the part of the first year**  
 33 **property tax levy imposed to establish an operating balance.**

34 SECTION 88. IC 6-1.1-18.5-12, AS AMENDED BY P.L.146-2008,  
 35 SECTION 179, IS AMENDED TO READ AS FOLLOWS  
 36 [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Any civil taxing unit that  
 37 determines that it cannot carry out its governmental functions for an  
 38 ensuing calendar year under the levy limitations imposed by section 3



1 of this chapter may:

2 (1) before ~~September~~ **October** 20 of the calendar year  
3 immediately preceding the ensuing calendar year; or

4 (2) in the case of a request described in section 16 of this chapter,  
5 before December 31 of the calendar year immediately preceding  
6 the ensuing calendar year;

7 appeal to the department of local government finance for relief from  
8 those levy limitations. In the appeal the civil taxing unit must state that  
9 it will be unable to carry out the governmental functions committed to  
10 it by law unless it is given the authority that it is petitioning for. The  
11 civil taxing unit must support these allegations by reasonably detailed  
12 statements of fact.

13 (b) The department of local government finance shall ~~promptly~~  
14 ~~deliver to the local government tax control board every appeal petition~~  
15 ~~it receives under subsection (a) and any materials it receives relevant~~  
16 ~~to those appeals. Upon receipt of an appeal petition, the local~~  
17 ~~government tax control board shall~~ immediately proceed to the  
18 examination and consideration of the merits of the civil taxing unit's  
19 appeal.

20 (c) In considering an appeal, the ~~local government tax control board~~  
21 **department of local government finance** has the power to conduct  
22 hearings, require any officer or member of the appealing civil taxing  
23 unit to appear before it, or require any officer or member of the  
24 appealing civil taxing unit to provide the ~~board~~ **department** with any  
25 relevant records or books.

26 (d) If an officer or member:

27 (1) fails to appear at a hearing ~~of the local government tax control~~  
28 ~~board~~ after having been given written notice ~~from the local~~  
29 ~~government tax control board~~ requiring that person's attendance;  
30 or

31 (2) fails to produce ~~for the local government tax control board's~~  
32 ~~use~~ the books and records that the ~~local government tax control~~  
33 ~~board~~ **department** by written notice required the officer or  
34 member to produce;

35 then the ~~local government tax control board~~ **department** may file an  
36 affidavit in the circuit court in the jurisdiction in which the officer or  
37 member may be found setting forth the facts of the failure.

38 (e) Upon the filing of an affidavit under subsection (d), the circuit



1 court shall promptly issue a summons, and the sheriff of the county  
 2 within which the circuit court is sitting shall serve the summons. The  
 3 summons must command the officer or member to appear before the  
 4 ~~local government tax control board~~ **department** to provide information  
 5 to the ~~local government tax control board~~ **department** or to produce  
 6 books and records for the ~~local government tax control board's~~  
 7 **department's** use, as the case may be. Disobedience of the summons  
 8 constitutes, and is punishable as, a contempt of the circuit court that  
 9 issued the summons.

10 (f) All expenses incident to the filing of an affidavit under  
 11 subsection (d) and the issuance and service of a summons shall be  
 12 charged to the officer or member against whom the summons is issued,  
 13 unless the circuit court finds that the officer or member was acting in  
 14 good faith and with reasonable cause. If the circuit court finds that the  
 15 officer or member was acting in good faith and with reasonable cause  
 16 or if an affidavit is filed and no summons is issued, the expenses shall  
 17 be charged against the county in which the affidavit was filed and shall  
 18 be allowed by the proper fiscal officers of that county.

19 (g) The fiscal officer of a civil taxing unit that appeals under section  
 20 16 of this chapter for relief from levy limitations shall immediately file  
 21 a copy of the appeal petition with the county auditor and the county  
 22 treasurer of the county in which the unit is located.

23 SECTION 89. IC 6-1.1-18.5-13, AS AMENDED BY P.L.146-2008,  
 24 SECTION 180, IS AMENDED TO READ AS FOLLOWS  
 25 [EFFECTIVE JANUARY 1, 2010]: Sec. 13. With respect to an appeal  
 26 filed under section 12 of this chapter, the ~~local government tax control~~  
 27 ~~board may recommend~~ **department may find** that a civil taxing unit  
 28 **should** receive any one (1) or more of the following types of relief:

29 (1) Permission to the civil taxing unit to increase its levy in excess  
 30 of the limitations established under section 3 of this chapter, if in  
 31 the judgment of the ~~local government tax control board~~  
 32 **department** the increase is reasonably necessary due to increased  
 33 costs of the civil taxing unit resulting from annexation,  
 34 consolidation, or other extensions of governmental services by the  
 35 civil taxing unit to additional geographic areas or persons. With  
 36 respect to annexation, consolidation, or other extensions of  
 37 governmental services in a calendar year, if those increased costs  
 38 are incurred by the civil taxing unit in that calendar year and more



than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:

(A) The first calendar year in which those costs are incurred.

(B) One (1) or more of the immediately succeeding four (4) calendar years.

(2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

(A) the cost of personal services (including fringe benefits);

(B) the cost of supplies; and

(C) any other cost directly related to the operation of the court.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the ~~local government tax control board~~ **department** finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5 does not first become effective.~~

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the



1 nearest ten-thousandth (0.0001)) of the sum of the civil taxing  
 2 unit's total assessed value of all taxable property and:

3 (i) for a particular calendar year before 2007, the total  
 4 assessed value of property tax deductions in the unit under  
 5 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar  
 6 year; or

7 (ii) for a particular calendar year after 2006, the total  
 8 assessed value of property tax deductions that applied in the  
 9 unit under IC 6-1.1-12-42 in 2006;

10 divided by the sum determined under this STEP for the  
 11 calendar year immediately preceding the particular calendar  
 12 year.

13 STEP THREE: Divide the sum of the three (3) quotients  
 14 computed in STEP TWO by three (3).

15 STEP FOUR: Compute separately, for each of the calendar  
 16 years determined in STEP ONE, the quotient (rounded to the  
 17 nearest ten-thousandth (0.0001)) of the sum of the total  
 18 assessed value of all taxable property in all counties and:

19 (i) for a particular calendar year before 2007, the total  
 20 assessed value of property tax deductions in all counties  
 21 under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular  
 22 calendar year; or

23 (ii) for a particular calendar year after 2006, the total  
 24 assessed value of property tax deductions that applied in all  
 25 counties under IC 6-1.1-12-42 in 2006;

26 divided by the sum determined under this STEP for the  
 27 calendar year immediately preceding the particular calendar  
 28 year.

29 STEP FIVE: Divide the sum of the three (3) quotients  
 30 computed in STEP FOUR by three (3).

31 STEP SIX: Divide the STEP THREE amount by the STEP  
 32 FIVE amount.

33 The civil taxing unit may increase its levy by a percentage not  
 34 greater than the percentage by which the STEP THREE amount  
 35 exceeds the percentage by which the civil taxing unit may  
 36 increase its levy under section 3 of this chapter based on the  
 37 assessed value growth quotient determined under section 2 of this  
 38 chapter.



1 (4) A levy increase may not be granted under this subdivision for  
2 property taxes first due and payable after December 31, 2008.  
3 Permission to the civil taxing unit to increase its levy in excess of  
4 the limitations established under section 3 of this chapter, if the  
5 local government tax control board finds that the civil taxing unit  
6 needs the increase to pay the costs of furnishing fire protection for  
7 the civil taxing unit through a volunteer fire department. For  
8 purposes of determining a township's need for an increased levy,  
9 the local government tax control board shall not consider the  
10 amount of money borrowed under IC 36-6-6-14 during the  
11 immediately preceding calendar year. However, any increase in  
12 the amount of the civil taxing unit's levy recommended by the  
13 local government tax control board under this subdivision for the  
14 ensuing calendar year may not exceed the lesser of:

15 (A) ten thousand dollars (\$10,000); or

16 (B) twenty percent (20%) of:

17 (i) the amount authorized for operating expenses of a  
18 volunteer fire department in the budget of the civil taxing  
19 unit for the immediately preceding calendar year; plus

20 (ii) the amount of any additional appropriations authorized  
21 during that calendar year for the civil taxing unit's use in  
22 paying operating expenses of a volunteer fire department  
23 under this chapter; minus

24 (iii) the amount of money borrowed under IC 36-6-6-14  
25 during that calendar year for the civil taxing unit's use in  
26 paying operating expenses of a volunteer fire department.

27 (5) A levy increase may not be granted under this subdivision for  
28 property taxes first due and payable after December 31, 2008.  
29 Permission to a civil taxing unit to increase its levy in excess of  
30 the limitations established under section 3 of this chapter in order  
31 to raise revenues for pension payments and contributions the civil  
32 taxing unit is required to make under IC 36-8. The maximum  
33 increase in a civil taxing unit's levy that may be recommended  
34 under this subdivision for an ensuing calendar year equals the  
35 amount, if any, by which the pension payments and contributions  
36 the civil taxing unit is required to make under IC 36-8 during the  
37 ensuing calendar year exceeds the product of one and one-tenth  
38 (1.1) multiplied by the pension payments and contributions made



1 by the civil taxing unit under IC 36-8 during the calendar year that  
2 immediately precedes the ensuing calendar year. For purposes of  
3 this subdivision, "pension payments and contributions made by a  
4 civil taxing unit" does not include that part of the payments or  
5 contributions that are funded by distributions made to a civil  
6 taxing unit by the state.

7 (6) A levy increase may not be granted under this subdivision for  
8 property taxes first due and payable after December 31, 2008.  
9 Permission to increase its levy in excess of the limitations  
10 established under section 3 of this chapter if the local government  
11 tax control board finds that:

12 (A) the township's township assistance ad valorem property  
13 tax rate is less than one and sixty-seven hundredths cents  
14 (\$0.0167) per one hundred dollars (\$100) of assessed  
15 valuation; and

16 (B) the township needs the increase to meet the costs of  
17 providing township assistance under IC 12-20 and IC 12-30-4.

18 The maximum increase that the board may recommend for a  
19 township is the levy that would result from an increase in the  
20 township's township assistance ad valorem property tax rate of  
21 one and sixty-seven hundredths cents (\$0.0167) per one hundred  
22 dollars (\$100) of assessed valuation minus the township's ad  
23 valorem property tax rate per one hundred dollars (\$100) of  
24 assessed valuation before the increase.

25 (7) A levy increase may not be granted under this subdivision for  
26 property taxes first due and payable after December 31, 2008.  
27 Permission to a civil taxing unit to increase its levy in excess of  
28 the limitations established under section 3 of this chapter if:

29 (A) the increase has been approved by the legislative body of  
30 the municipality with the largest population where the civil  
31 taxing unit provides public transportation services; and

32 (B) the local government tax control board finds that the civil  
33 taxing unit needs the increase to provide adequate public  
34 transportation services.

35 The local government tax control board shall consider tax rates  
36 and levies in civil taxing units of comparable population, and the  
37 effect (if any) of a loss of federal or other funds to the civil taxing  
38 unit that might have been used for public transportation purposes.



1 However, the increase that the board may recommend under this  
 2 subdivision for a civil taxing unit may not exceed the revenue that  
 3 would be raised by the civil taxing unit based on a property tax  
 4 rate of one cent (\$0.01) per one hundred dollars (\$100) of  
 5 assessed valuation.

6 (8) A levy increase may not be granted under this subdivision for  
 7 property taxes first due and payable after December 31, 2008.  
 8 Permission to a civil taxing unit to increase the unit's levy in  
 9 excess of the limitations established under section 3 of this  
 10 chapter if the local government tax control board finds that:

11 (A) the civil taxing unit is:

12 (i) a county having a population of more than one hundred  
 13 forty-eight thousand (148,000) but less than one hundred  
 14 seventy thousand (170,000);

15 (ii) a city having a population of more than fifty-five  
 16 thousand (55,000) but less than fifty-nine thousand (59,000);

17 (iii) a city having a population of more than twenty-eight  
 18 thousand seven hundred (28,700) but less than twenty-nine  
 19 thousand (29,000);

20 (iv) a city having a population of more than fifteen thousand  
 21 four hundred (15,400) but less than sixteen thousand six  
 22 hundred (16,600); or

23 (v) a city having a population of more than seven thousand  
 24 (7,000) but less than seven thousand three hundred (7,300);  
 25 and

26 (B) the increase is necessary to provide funding to undertake  
 27 removal (as defined in IC 13-11-2-187) and remedial action  
 28 (as defined in IC 13-11-2-185) relating to hazardous  
 29 substances (as defined in IC 13-11-2-98) in solid waste  
 30 disposal facilities or industrial sites in the civil taxing unit that  
 31 have become a menace to the public health and welfare.

32 The maximum increase that the local government tax control  
 33 board may recommend for such a civil taxing unit is the levy that  
 34 would result from a property tax rate of six and sixty-seven  
 35 hundredths cents (\$0.0667) for each one hundred dollars (\$100)  
 36 of assessed valuation. For purposes of computing the ad valorem  
 37 property tax levy limit imposed on a civil taxing unit under  
 38 section 3 of this chapter, the civil taxing unit's ad valorem



1 property tax levy for a particular year does not include that part of  
 2 the levy imposed under this subdivision. In addition, a property  
 3 tax increase permitted under this subdivision may be imposed for  
 4 only two (2) calendar years.

5 (9) A levy increase may not be granted under this subdivision for  
 6 property taxes first due and payable after December 31, 2008.

7 Permission for a county:

8 (A) having a population of more than eighty thousand (80,000)  
 9 but less than ninety thousand (90,000) to increase the county's  
 10 levy in excess of the limitations established under section 3 of  
 11 this chapter, if the local government tax control board finds  
 12 that the county needs the increase to meet the county's share of  
 13 the costs of operating a jail or juvenile detention center,  
 14 including expansion of the facility, if the jail or juvenile  
 15 detention center is opened after December 31, 1991;

16 (B) that operates a county jail or juvenile detention center that  
 17 is subject to an order that:

18 (i) was issued by a federal district court; and

19 (ii) has not been terminated;

20 (C) that operates a county jail that fails to meet:

21 (i) American Correctional Association Jail Construction  
 22 Standards; and

23 (ii) Indiana jail operation standards adopted by the  
 24 department of correction; or

25 (D) that operates a juvenile detention center that fails to meet  
 26 standards equivalent to the standards described in clause (C)  
 27 for the operation of juvenile detention centers.

28 Before recommending an increase, the local government tax  
 29 control board shall consider all other revenues available to the  
 30 county that could be applied for that purpose. An appeal for  
 31 operating funds for a jail or a juvenile detention center shall be  
 32 considered individually, if a jail and juvenile detention center are  
 33 both opened in one (1) county. The maximum aggregate levy  
 34 increases that the local government tax control board may  
 35 recommend for a county equals the county's share of the costs of  
 36 operating the jail or a juvenile detention center for the first full  
 37 calendar year in which the jail or juvenile detention center is in  
 38 operation.



1 (10) A levy increase may not be granted under this subdivision for  
2 property taxes first due and payable after December 31, 2008.  
3 Permission for a township to increase its levy in excess of the  
4 limitations established under section 3 of this chapter, if the local  
5 government tax control board finds that the township needs the  
6 increase so that the property tax rate to pay the costs of furnishing  
7 fire protection for a township, or a portion of a township, enables  
8 the township to pay a fair and reasonable amount under a contract  
9 with the municipality that is furnishing the fire protection.  
10 However, for the first time an appeal is granted the resulting rate  
11 increase may not exceed fifty percent (50%) of the difference  
12 between the rate imposed for fire protection within the  
13 municipality that is providing the fire protection to the township  
14 and the township's rate. A township is required to appeal a second  
15 time for an increase under this subdivision if the township wants  
16 to further increase its rate. However, a township's rate may be  
17 increased to equal but may not exceed the rate that is used by the  
18 municipality. More than one (1) township served by the same  
19 municipality may use this appeal.

20 (11) A levy increase may not be granted under this subdivision for  
21 property taxes first due and payable after December 31, 2008.  
22 Permission for a township to increase its levy in excess of the  
23 limitations established under section 3 of this chapter, if the local  
24 government tax control board finds that the township has been  
25 required, for the three (3) consecutive years preceding the year for  
26 which the appeal under this subdivision is to become effective, to  
27 borrow funds under IC 36-6-6-14 to furnish fire protection for the  
28 township or a part of the township. However, the maximum  
29 increase in a township's levy that may be allowed under this  
30 subdivision is the least of the amounts borrowed under  
31 IC 36-6-6-14 during the preceding three (3) calendar years. A  
32 township may elect to phase in an approved increase in its levy  
33 under this subdivision over a period not to exceed three (3) years.  
34 A particular township may appeal to increase its levy under this  
35 section not more frequently than every fourth calendar year.

36 (12) Permission to a city having a population of more than  
37 twenty-nine thousand (29,000) but less than thirty-one thousand  
38 (31,000) to increase its levy in excess of the limitations



1 established under section 3 of this chapter if:

2 (A) an appeal was granted to the city under this section to  
3 reallocate property tax replacement credits under IC 6-3.5-1.1  
4 in 1998, 1999, and 2000; and

5 (B) the increase has been approved by the legislative body of  
6 the city, and the legislative body of the city has by resolution  
7 determined that the increase is necessary to pay normal  
8 operating expenses.

9 The maximum amount of the increase is equal to the amount of  
10 property tax replacement credits under IC 6-3.5-1.1 that the city  
11 petitioned under this section to have reallocated in 2001 for a  
12 purpose other than property tax relief.

13 (13) A levy increase may be granted under this subdivision only  
14 for property taxes first due and payable after December 31, 2008.  
15 Permission to a civil taxing unit to increase its levy in excess of  
16 the limitations established under section 3 of this chapter if the  
17 civil taxing unit cannot carry out its governmental functions for  
18 an ensuing calendar year under the levy limitations imposed by  
19 section 3 of this chapter due to a natural disaster, an accident, or  
20 another unanticipated emergency.

21 SECTION 90. IC 6-1.1-18.5-13.5, AS AMENDED BY  
22 P.L.224-2007, SECTION 26, IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.5. A levy increase  
24 may not be granted under this section for property taxes first due and  
25 payable after December 31, 2009. With respect to an appeal filed under  
26 section 12 of this chapter, ~~the local government tax control board may~~  
27 ~~recommend that~~ the department of local government finance ~~may~~ give  
28 permission to a town having a population of more than three hundred  
29 seventy-five (375) but less than five hundred (500) located in a county  
30 having a population of more than seventy-one thousand (71,000) but  
31 less than seventy-one thousand four hundred (71,400) to increase its  
32 levy in excess of the limitations established under section 3 of this  
33 chapter, if the ~~local government tax control board~~ **department** finds  
34 that the town needs the increase to pay the costs of furnishing fire  
35 protection for the town. However, any increase in the amount of the  
36 town's levy ~~recommended by the local government tax control board~~  
37 under this section for the ensuing calendar year may not exceed the  
38 greater of:



1 (1) twenty-five thousand dollars (\$25,000); or

2 (2) twenty percent (20%) of the sum of:

3 (A) the amount authorized for the cost of furnishing fire  
4 protection in the town's budget for the immediately preceding  
5 calendar year; plus

6 (B) the amount of any additional appropriations authorized  
7 under IC 6-1.1-18-5 during that calendar year for the town's  
8 use in paying the costs of furnishing fire protection.

9 SECTION 91. IC 6-1.1-18.5-13.6, AS AMENDED BY  
10 P.L.146-2008, SECTION 181, IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.6. A levy increase  
12 may not be granted under this section for property taxes first due and  
13 payable after December 31, 2008. For an appeal filed under section 12  
14 of this chapter, ~~the local government tax control board may recommend~~  
15 ~~that~~ the department of local government finance **may** give permission  
16 to a county to increase its levy in excess of the limitations established  
17 under section 3 of this chapter if the ~~local government tax control board~~  
18 **department** finds that the county needs the increase to pay for:

19 (1) a new voting system; or

20 (2) the expansion or upgrade of an existing voting system;

21 under IC 3-11-6.

22 SECTION 92. IC 6-1.1-18.5-14, AS AMENDED BY P.L.146-2008,  
23 SECTION 182, IS AMENDED TO READ AS FOLLOWS  
24 [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) ~~The local government tax~~  
25 ~~control board may recommend to~~ The department of local government  
26 finance **may order** a correction of any advertising error, mathematical  
27 error, or error in data made at the local level for any calendar year **if**  
28 **the department finds that the error** affects the determination of the  
29 limitations established by section 3 of this chapter or the tax rate or  
30 levy of a civil taxing unit. The department of local government finance  
31 may on its own initiative correct such an advertising error,  
32 mathematical error, or error in data for any civil taxing unit.

33 (b) A correction made under subsection (a) for a prior calendar year  
34 shall be applied to the civil taxing unit's levy limitations, rate, and levy  
35 for the ensuing calendar year to offset any cumulative effect that the  
36 error caused in the determination of the civil taxing unit's levy  
37 limitations, rate, or levy for the ensuing calendar year.

38 SECTION 93. IC 6-1.1-18.5-15, AS AMENDED BY P.L.146-2008,



SECTION 183, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) The department of local  
 government finance, upon ~~receiving a recommendation made making~~  
~~a finding~~ under section 13 or 14 of this chapter, shall enter an order  
~~adopting, rejecting, or adopting in part and rejecting in part the~~  
~~recommendation of the local government tax control board.~~ **setting**  
**forth its final determination.**

(b) A civil taxing unit may petition for judicial review of the final  
 determination made by the department of local government finance  
 under subsection (a). The action must be taken to the tax court under  
 IC 6-1.1-15 in the same manner that an action is taken to appeal a final  
 determination of the Indiana board. The petition must be filed in the tax  
 court not more than forty-five (45) days after the department enters its  
 order under subsection (a).

SECTION 94. IC 6-1.1-18.5-16, AS AMENDED BY P.L.146-2008,  
 SECTION 184, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A civil taxing unit may  
 request permission from the ~~local government tax control board~~  
~~department~~ to impose an ad valorem property tax levy that exceeds the  
 limits imposed by section 3 of this chapter if:

- (1) the civil taxing unit experienced a property tax revenue  
 shortfall that resulted from erroneous assessed valuation figures  
 being provided to the civil taxing unit;
- (2) the erroneous assessed valuation figures were used by the civil  
 taxing unit in determining its total property tax rate; and
- (3) the error in the assessed valuation figures was found after the  
 civil taxing unit's property tax levy resulting from that total rate  
 was finally approved by the department of local government  
 finance.

(b) A civil taxing unit may request permission from the ~~local~~  
~~government tax control board~~ **department** to impose an ad valorem  
 property tax levy that exceeds the limits imposed by section 3 of this  
 chapter if the civil taxing unit experienced a property tax revenue  
 shortfall because of the payment of refunds that resulted from appeals  
 under this article and IC 6-1.5.

(c) If the ~~local government tax control board~~ **department**  
 determines that a shortfall described in subsection (a) or (b) has  
 occurred, it ~~shall recommend to~~ the department of local government



1 finance **may find** that the civil taxing unit **should** be allowed to impose  
 2 a property tax levy exceeding the limit imposed by section 3 of this  
 3 chapter. ~~and the department may adopt such recommendation.~~  
 4 However, the maximum amount by which the civil taxing unit's levy  
 5 may be increased over the limits imposed by section 3 of this chapter  
 6 equals the remainder of the civil taxing unit's property tax levy for the  
 7 particular calendar year as finally approved by the department of local  
 8 government finance minus the actual property tax levy collected by the  
 9 civil taxing unit for that particular calendar year.

10 (d) Any property taxes collected by a civil taxing unit over the limits  
 11 imposed by section 3 of this chapter under the authority of this section  
 12 may not be treated as a part of the civil taxing unit's maximum  
 13 permissible ad valorem property tax levy for purposes of determining  
 14 its maximum permissible ad valorem property tax levy for future years.

15 (e) If the department of local government finance authorizes an  
 16 excess tax levy under this section, it shall take appropriate steps to  
 17 insure that the proceeds are first used to repay any loan made to the  
 18 civil taxing unit for the purpose of meeting its current expenses.

19 SECTION 95. IC 6-1.1-18.5-17, AS AMENDED BY P.L.219-2007,  
 20 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2009]: Sec. 17. (a) As used in this section, "levy excess"  
 22 means the part of the ad valorem property tax levy actually collected by  
 23 a civil taxing unit, for taxes first due and payable during a particular  
 24 calendar year, that exceeds the civil taxing unit's ad valorem property  
 25 tax levy, as approved by the department of local government finance  
 26 under IC 6-1.1-17. The term does not include delinquent ad valorem  
 27 property taxes collected during a particular year that were assessed for  
 28 an assessment date that precedes the assessment date for the current  
 29 year in which the ad valorem property taxes are collected.

30 (b) A civil taxing unit's levy excess is valid and may not be  
 31 contested on the grounds that it exceeds the civil taxing unit's levy limit  
 32 for the applicable calendar year. However, the civil taxing unit shall  
 33 deposit, except as provided in subsections (h) and (i), its levy excess in  
 34 a special fund to be known as the civil taxing unit's levy excess fund.

35 (c) The chief fiscal officer of a civil taxing unit may invest money  
 36 in the civil taxing unit's levy excess fund in the same manner in which  
 37 money in the civil taxing unit's general fund may be invested. However,  
 38 any income derived from investment of the money shall be deposited



1 in and becomes a part of the levy excess fund.

2 (d) The department of local government finance shall require a civil  
3 taxing unit to include the amount in its levy excess fund in the civil  
4 taxing unit's budget fixed under IC 6-1.1-17.

5 (e) Except as provided by subsection (f), a civil taxing unit may not  
6 spend any money in its levy excess fund until the expenditure of the  
7 money has been included in a budget that has been approved by the  
8 department of local government finance under IC 6-1.1-17. For  
9 purposes of fixing its budget and for purposes of the ad valorem  
10 property tax levy limits imposed under this chapter, a civil taxing unit  
11 shall treat the money in its levy excess fund that the department of local  
12 government finance permits it to spend during a particular calendar  
13 year as part of its ad valorem property tax levy for that same calendar  
14 year.

15 (f) A civil taxing unit may transfer money from its levy excess fund  
16 to its other funds to reimburse those funds for amounts withheld from  
17 the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

18 (g) Subject to the limitations imposed by this section, a civil taxing  
19 unit may use money in its levy excess fund for any lawful purpose for  
20 which money in any of its other funds may be used.

21 (h) If the amount that would, notwithstanding this subsection, be  
22 deposited in the levy excess fund of a civil taxing unit for a particular  
23 calendar year is less than one hundred dollars (\$100), no money shall  
24 be deposited in the levy excess fund of the unit for that year.

25 (i) This subsection applies only to a civil taxing unit that:

- 26 (1) has a levy excess for a particular calendar year;
- 27 (2) in the preceding calendar year experienced a shortfall in  
28 property tax collections below the civil taxing unit's property tax  
29 levy approved by the department of local government finance  
30 under IC 6-1.1-17; and
- 31 (3) did not receive permission from the ~~local government tax~~  
32 ~~control board department~~ to impose, because of the shortfall in  
33 property tax collections in the preceding calendar year, a property  
34 tax levy that exceeds the limits imposed by section 3 of this  
35 chapter.

36 The amount that a civil taxing unit subject to this subsection must  
37 transfer to the civil taxing unit's levy excess fund in the calendar year  
38 in which the excess is collected shall be reduced by the amount of the



1 civil taxing unit's shortfall in property tax collections in the preceding  
 2 calendar year (but the reduction may not exceed the amount of the civil  
 3 taxing unit's levy excess).

4 SECTION 96. IC 6-1.1-19-1, AS AMENDED BY P.L.146-2008,  
 5 SECTION 185, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~The following definitions apply~~  
 7 **throughout As used in this chapter,**

8 ~~(+)~~ "appeal" refers to an appeal taken to the department of local  
 9 government finance by or in respect of a school corporation under  
 10 any of the following:

11 ~~(A)~~ (1) IC 6-1.1-17.

12 ~~(B)~~ (2) IC 20-43.

13 (2) "Tax control board" means the school property tax control  
 14 board established by section 4.1 of this chapter.

15 SECTION 97. IC 6-1.1-19-3, AS AMENDED BY P.L.146-2008,  
 16 SECTION 186, IS AMENDED TO READ AS FOLLOWS  
 17 [EFFECTIVE JULY 1, 2009]: Sec. 3. ~~(a)~~ When an appeal is taken to  
 18 the department of local government finance, the department may  
 19 exercise the powers described in IC 6-1.1-17 to revise, change, or  
 20 increase the budget, tax levy, or tax rate of the appellant school  
 21 corporation.

22 ~~(b) The department of local government finance may not exercise~~  
 23 ~~any of the powers described in subsection (a) until it receives;~~  
 24 ~~regarding the appellant school corporation's budget, tax levy, or tax~~  
 25 ~~rate; the recommendation of the tax control board.~~

26 SECTION 98. IC 6-1.1-19-7, AS AMENDED BY P.L.2-2006,  
 27 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2009]: Sec. 7. (a) Any recommendation that is to be made by  
 29 the tax control board to the department of local government finance  
 30 under any law that applies to the appeal must be made at the time  
 31 prescribed in this chapter.

32 (b) If a time for making a recommendation is not prescribed in this  
 33 chapter, the recommendation must be made at a time that permits the  
 34 department of local government finance to complete the duties of the  
 35 department that are set forth in IC 6-1.1-17 within the time allowed by  
 36 law for the completion of the duties or within the additional time that  
 37 is reasonably necessary for the department of local government finance  
 38 and the tax control board to complete the duties set forth in this



1 chapter.

2 ~~(c)~~ **(a)** A tax levy is not invalid because of the failure of ~~either the~~  
3 ~~tax control board or~~ the department of local government finance to  
4 complete its duties within the time or time limits provided by this  
5 chapter or any other law.

6 ~~(d)~~ **(b)** Subject to this chapter, the department of local government  
7 finance may

8 ~~(1) accept, reject, or accept in part and reject in part any~~  
9 ~~recommendation of the tax control board that is made to the~~  
10 ~~department of local government finance under this chapter; and~~  
11 ~~(2) make any order that is consistent with IC 6-1.1-17.~~

12 ~~(e)~~ **(c)** A school corporation may petition for judicial review of the  
13 final determination of the department of local government finance.  
14 ~~under subsection (d):~~ The petition must be filed in the tax court not  
15 more than forty-five (45) days after the department enters its order.  
16 ~~under subsection (d):~~

17 SECTION 99. IC 6-1.1-20-1.9, AS AMENDED BY P.L.146-2008,  
18 SECTION 190, IS AMENDED TO READ AS FOLLOWS  
19 [EFFECTIVE JULY 1, 2009]: Sec. 1.9. **(a)** As used in this chapter,  
20 "registered voter" means the following:

21 (1) In the case of a petition under section 3.1 of this chapter to  
22 initiate a petition and remonstrance process, an individual who is  
23 registered to vote in the political subdivision on the date the  
24 proper officers of the political subdivision publish notice under  
25 section 3.1(b)(2) of this chapter of a preliminary determination by  
26 the political subdivision to issue bonds or enter into a lease:  
27 **county voter registration board makes the determination**  
28 **under section 3.1(b)(8) of this chapter regarding whether**  
29 **persons who signed the petition are registered voters.**

30 (2) In the case of:

31 (A) a petition under section 3.2 of this chapter in favor of the  
32 proposed debt service or lease payments; or

33 (B) a remonstrance under section 3.2 of this chapter against  
34 the proposed debt service or lease payments;

35 an individual who is registered to vote in the political subdivision  
36 on the date ~~that is thirty (30) days after the notice of the~~  
37 ~~applicability of the petition and remonstrance process is published~~  
38 ~~under section 3.2(b)(1) of this chapter: the county voter~~



1 registration board makes the determination under section  
2 3.2(b)(5) of this chapter regarding whether persons who  
3 signed the petition or remonstrance are registered voters.

4 (3) In the case of a petition under section 3.5 of this chapter  
5 requesting the application of the local public question process  
6 under section 3.6 of this chapter concerning proposed debt  
7 service or lease payments, an individual who is registered to  
8 vote in the political subdivision on the date the county voter  
9 registration board makes the determination under section  
10 3.5(b)(8) of this chapter regarding whether persons who  
11 signed the petition are registered voters.

12 ~~(3)~~ (b) As used in this chapter, in the case of ~~a~~ an election on a  
13 public question held under section 3.6 of this chapter, "eligible voter"  
14 means an individual who is registered to vote in the political  
15 subdivision on the date that is thirty ~~(30)~~ days before the date of  
16 eligible to vote in the election in the political subdivision in which  
17 the public question will be held, as determined under IC 3.

18 SECTION 100. IC 6-1.1-20-3.1, AS AMENDED BY P.L.146-2008,  
19 SECTION 191, IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) This section applies  
21 only to the following:

22 (1) A controlled project (as defined in section 1.1 of this chapter  
23 as in effect June 30, 2008) for which the proper officers of a  
24 political subdivision make a preliminary determination in the  
25 manner described in subsection (b) before July 1, 2008.

26 (2) An elementary school building, middle school building, or  
27 other school building for academic instruction that:

28 (A) is a controlled project;

29 (B) will be used for any combination of kindergarten through  
30 grade 8;

31 (C) will not be used for any combination of grade 9 through  
32 grade 12; and

33 (D) will not cost more than ten million dollars (\$10,000,000).

34 (3) A high school building or other school building for academic  
35 instruction that:

36 (A) is a controlled project;

37 (B) will be used for any combination of grade 9 through grade  
38 12;



- 1 (C) will not be used for any combination of kindergarten  
 2 through grade 8; and  
 3 (D) will not cost more than twenty million dollars  
 4 (\$20,000,000).
- 5 (4) Any other controlled project that:  
 6 (A) is not a controlled project described in subdivision (1), (2),  
 7 or (3); and  
 8 (B) will not cost the political subdivision more than the lesser  
 9 of the following:  
 10 (i) Twelve million dollars (\$12,000,000).  
 11 (ii) An amount equal to one percent (1%) of the total gross  
 12 assessed value of property within the political subdivision  
 13 on the last assessment date, if that amount is at least one  
 14 million dollars (\$1,000,000).
- 15 (b) A political subdivision may not impose property taxes to pay  
 16 debt service on bonds or lease rentals on a lease for a controlled project  
 17 without completing the following procedures:  
 18 (1) The proper officers of a political subdivision shall:  
 19 (A) publish notice in accordance with IC 5-3-1; and  
 20 (B) send notice by first class mail to any organization that  
 21 delivers to the officers, before January 1 of that year, an annual  
 22 written request for such notices;  
 23 of any meeting to consider adoption of a resolution or an  
 24 ordinance making a preliminary determination to issue bonds or  
 25 enter into a lease and shall conduct a public hearing on a  
 26 preliminary determination before adoption of the resolution or  
 27 ordinance.
- 28 (2) When the proper officers of a political subdivision make a  
 29 preliminary determination to issue bonds or enter into a lease for  
 30 a controlled project, the officers shall give notice of the  
 31 preliminary determination by:  
 32 (A) publication in accordance with IC 5-3-1; and  
 33 (B) first class mail to the organizations described in  
 34 subdivision (1)(B).
- 35 (3) A notice under subdivision (2) of the preliminary  
 36 determination of the political subdivision to issue bonds or enter  
 37 into a lease for a controlled project must include the following  
 38 information:



- 1 (A) The maximum term of the bonds or lease.
- 2 (B) The maximum principal amount of the bonds or the
- 3 maximum lease rental for the lease.
- 4 (C) The estimated interest rates that will be paid and the total
- 5 interest costs associated with the bonds or lease.
- 6 (D) The purpose of the bonds or lease.
- 7 (E) A statement that any owners of real property within the
- 8 political subdivision or registered voters residing within the
- 9 political subdivision who want to initiate a petition and
- 10 remonstrance process against the proposed debt service or
- 11 lease payments must file a petition that complies with
- 12 subdivisions (4) and (5) not later than thirty (30) days after
- 13 publication in accordance with IC 5-3-1.
- 14 (F) With respect to bonds issued or a lease entered into to
- 15 open:
  - 16 (i) a new school facility; or
  - 17 (ii) an existing facility that has not been used for at least
  - 18 three (3) years and that is being reopened to provide
  - 19 additional classroom space;
  - 20 the estimated costs the school corporation expects to incur
  - 21 annually to operate the facility.
- 22 (G) A statement of whether the school corporation expects to
- 23 appeal for a new facility adjustment (as defined in
- 24 IC 20-45-1-16 before January 1, 2009) for an increased
- 25 maximum permissible tuition support levy to pay the estimated
- 26 costs described in clause (F).
- 27 (H) The political subdivision's current debt service levy and
- 28 rate and the estimated increase to the political subdivision's
- 29 debt service levy and rate that will result if the political
- 30 subdivision issues the bonds or enters into the lease.
- 31 (4) After notice is given, a petition requesting the application of
- 32 a petition and remonstrance process may be filed by the lesser of:
  - 33 (A) one hundred (100) persons who are either owners of real
  - 34 property within the political subdivision or registered voters
  - 35 residing within the political subdivision; or
  - 36 (B) five percent (5%) of the registered voters residing within
  - 37 the political subdivision.
- 38 (5) The state board of accounts shall design and, upon request by



1 the county voter registration office, deliver to the county voter  
 2 registration office or the county voter registration office's  
 3 designated printer the petition forms to be used solely in the  
 4 petition process described in this section. The county voter  
 5 registration office shall issue to an owner or owners of real  
 6 property within the political subdivision or a registered voter  
 7 residing within the political subdivision the number of petition  
 8 forms requested by the owner or owners or the registered voter.  
 9 Each form must be accompanied by instructions detailing the  
 10 requirements that:

11 (A) the carrier and signers must be owners of real property or  
 12 registered voters;

13 (B) the carrier must be a signatory on at least one (1) petition;

14 (C) after the signatures have been collected, the carrier must  
 15 swear or affirm before a notary public that the carrier  
 16 witnessed each signature; and

17 (D) govern the closing date for the petition period.

18 Persons requesting forms may be required to identify themselves  
 19 as owners of real property or registered voters and may be  
 20 allowed to pick up additional copies to distribute to other property  
 21 owners or registered voters. Each person signing a petition must  
 22 indicate whether the person is signing the petition as a registered  
 23 voter within the political subdivision or is signing the petition as  
 24 the owner of real property within the political subdivision. A  
 25 person who signs a petition as a registered voter must indicate the  
 26 address at which the person is registered to vote. A person who  
 27 signs a petition as a real property owner must indicate the address  
 28 of the real property owned by the person in the political  
 29 subdivision.

30 (6) Each petition must be verified under oath by at least one (1)  
 31 qualified petitioner in a manner prescribed by the state board of  
 32 accounts before the petition is filed with the county voter  
 33 registration office under subdivision (7).

34 (7) Each petition must be filed with the county voter registration  
 35 office not more than thirty (30) days after publication under  
 36 subdivision (2) of the notice of the preliminary determination.

37 (8) The county voter registration office shall determine whether  
 38 each person who signed the petition is a registered voter. The



1 county voter registration office shall not more than fifteen (15)  
2 business days after receiving a petition forward a copy of the  
3 petition to the county auditor. Not more than ten (10) business  
4 days after receiving the copy of the petition, the county auditor  
5 shall provide to the county voter registration office a statement  
6 verifying:

7 (A) whether a person who signed the petition as a registered  
8 voter but is not a registered voter, as determined by the county  
9 voter registration office, is the owner of real property in the  
10 political subdivision; and

11 (B) whether a person who signed the petition as an owner of  
12 real property within the political subdivision does in fact own  
13 real property within the political subdivision.

14 (9) The county voter registration office shall not more than ten  
15 (10) business days after receiving the statement from the county  
16 auditor under subdivision (8) make the final determination of the  
17 number of petitioners that are registered voters in the political  
18 subdivision and, based on the statement provided by the county  
19 auditor, the number of petitioners that own real property within  
20 the political subdivision. Whenever the name of an individual  
21 who signs a petition form as a registered voter contains a minor  
22 variation from the name of the registered voter as set forth in the  
23 records of the county voter registration office, the signature is  
24 presumed to be valid, and there is a presumption that the  
25 individual is entitled to sign the petition under this section. Except  
26 as otherwise provided in this chapter, in determining whether an  
27 individual is a registered voter, the county voter registration office  
28 shall apply the requirements and procedures used under IC 3 to  
29 determine whether a person is a registered voter for purposes of  
30 voting in an election governed by IC 3. However, an individual is  
31 not required to comply with the provisions concerning providing  
32 proof of identification to be considered a registered voter for  
33 purposes of this chapter. A person is entitled to sign a petition  
34 only one (1) time in a particular petition and remonstrance  
35 process under this chapter, regardless of whether the person owns  
36 more than one (1) parcel of real property within the subdivision  
37 and regardless of whether the person is both a registered voter in  
38 the political subdivision and the owner of real property within the



political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within ~~thirty-five (35)~~ **forty-five (45)** days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 101. IC 6-1.1-20-3.2, AS AMENDED BY P.L.146-2008, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.2. (a) This section applies only to controlled projects described in section 3.1(a) of this chapter.

(b) If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance



process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section 3.1(b)(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision or registered voters residing within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision. Each signature on a petition must be dated, and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county voter registration office under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county voter registration office shall issue to an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision the number of petition or remonstrance forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:



- 1 (A) the carrier and signers must be owners of real property or
  - 2 registered voters;
  - 3 (B) the carrier must be a signatory on at least one (1) petition;
  - 4 (C) after the signatures have been collected, the carrier must
  - 5 swear or affirm before a notary public that the carrier
  - 6 witnessed each signature;
  - 7 (D) govern the closing date for the petition and remonstrance
  - 8 period; and
  - 9 (E) apply to the carrier under section 10 of this chapter.
- 10 Persons requesting forms may be required to identify themselves
- 11 as owners of real property or registered voters and may be
- 12 allowed to pick up additional copies to distribute to other property
- 13 owners or registered voters. Each person signing a petition or
- 14 remonstrance must indicate whether the person is signing the
- 15 petition or remonstrance as a registered voter within the political
- 16 subdivision or is signing the petition or remonstrance as the
- 17 owner of real property within the political subdivision. A person
- 18 who signs a petition or remonstrance as a registered voter must
- 19 indicate the address at which the person is registered to vote. A
- 20 person who signs a petition or remonstrance as a real property
- 21 owner must indicate the address of the real property owned by the
- 22 person in the political subdivision. The county voter registration
- 23 office may not issue a petition or remonstrance form earlier than
- 24 twenty-nine (29) days after the notice is given under subdivision
- 25 (1). The county voter registration office shall certify the date of
- 26 issuance on each petition or remonstrance form that is distributed
- 27 under this subdivision.
- 28 (4) The petitions and remonstrances must be verified in the
- 29 manner prescribed by the state board of accounts and filed with
- 30 the county voter registration office within the sixty (60) day
- 31 period described in subdivision (2) in the manner set forth in
- 32 section 3.1 of this chapter relating to requests for a petition and
- 33 remonstrance process.
- 34 (5) The county voter registration office shall determine whether
- 35 each person who signed the petition or remonstrance is a
- 36 registered voter. The county voter registration office shall not
- 37 more than fifteen (15) business days after receiving a petition or
- 38 remonstrance forward a copy of the petition or remonstrance to



1 the county auditor. Not more than ten (10) business days after  
2 receiving the copy of the petition or remonstrance, the county  
3 auditor shall provide to the county voter registration office a  
4 statement verifying:

5 (A) whether a person who signed the petition or remonstrance  
6 as a registered voter but is not a registered voter, as  
7 determined by the county voter registration office, is the owner  
8 of real property in the political subdivision; and

9 (B) whether a person who signed the petition or remonstrance  
10 as an owner of real property within the political subdivision  
11 does in fact own real property within the political subdivision.

12 (6) The county voter registration office shall not more than ten  
13 (10) business days after receiving the statement from the county  
14 auditor under subdivision (5) make the final determination of:

15 (A) the number of registered voters in the political subdivision  
16 that signed a petition and, based on the statement provided by  
17 the county auditor, the number of owners of real property  
18 within the political subdivision that signed a petition; and

19 (B) the number of registered voters in the political subdivision  
20 that signed a remonstrance and, based on the statement  
21 provided by the county auditor, the number of owners of real  
22 property within the political subdivision that signed a  
23 remonstrance.

24 Whenever the name of an individual who signs a petition or  
25 remonstrance as a registered voter contains a minor variation from  
26 the name of the registered voter as set forth in the records of the  
27 county voter registration office, the signature is presumed to be  
28 valid, and there is a presumption that the individual is entitled to  
29 sign the petition or remonstrance under this section. Except as  
30 otherwise provided in this chapter, in determining whether an  
31 individual is a registered voter, the county voter registration office  
32 shall apply the requirements and procedures used under IC 3 to  
33 determine whether a person is a registered voter for purposes of  
34 voting in an election governed by IC 3. However, an individual is  
35 not required to comply with the provisions concerning providing  
36 proof of identification to be considered a registered voter for  
37 purposes of this chapter. A person is entitled to sign a petition or  
38 remonstrance only one (1) time in a particular petition and



1 remonstrance process under this chapter, regardless of whether  
 2 the person owns more than one (1) parcel of real property within  
 3 the subdivision and regardless of whether the person is both a  
 4 registered voter in the political subdivision and the owner of real  
 5 property within the political subdivision. Notwithstanding any  
 6 other provision of this section, if a petition or remonstrance is  
 7 presented to the county voter registration office within ~~thirty-five~~  
 8 **(35) forty-five (45)** days before an election, the county voter  
 9 registration office may defer acting on the petition or  
 10 remonstrance, and the time requirements under this section for  
 11 action by the county voter registration office do not begin to run  
 12 until five (5) days after the date of the election.

13 (7) The county voter registration office must file a certificate and  
 14 the petition or remonstrance with the body of the political  
 15 subdivision charged with issuing bonds or entering into leases  
 16 within thirty-five (35) business days of the filing of a petition or  
 17 remonstrance under subdivision (4), whichever applies,  
 18 containing ten thousand (10,000) signatures or less. The county  
 19 voter registration office may take an additional five (5) days to  
 20 review and certify the petition or remonstrance for each additional  
 21 five thousand (5,000) signatures up to a maximum of sixty (60)  
 22 days. The certificate must state the number of petitioners and  
 23 remonstrators that are owners of real property within the political  
 24 subdivision and the number of petitioners who are registered  
 25 voters residing within the political subdivision.

26 (8) If a greater number of persons who are either owners of real  
 27 property within the political subdivision or registered voters  
 28 residing within the political subdivision sign a remonstrance than  
 29 the number that signed a petition, the bonds petitioned for may  
 30 not be issued or the lease petitioned for may not be entered into.  
 31 The proper officers of the political subdivision may not make a  
 32 preliminary determination to issue bonds or enter into a lease for  
 33 the controlled project defeated by the petition and remonstrance  
 34 process under this section or any other controlled project that is  
 35 not substantially different within one (1) year after the date of the  
 36 county voter registration office's certificate under subdivision (7).  
 37 Withdrawal of a petition carries the same consequences as a  
 38 defeat of the petition.



(9) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance if required by:

(A) IC 6-1.1-18.5-8; or

(B) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10.

SECTION 102. IC 6-1.1-20-3.5, AS ADDED BY P.L.146-2008, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, or other school building for academic instruction that:

(i) will be used for any combination of kindergarten through grade 8;

(ii) will not be used for any combination of grade 9 through grade 12; and

(iii) will cost more than ten million dollars (\$10,000,000).

(B) A high school building or other school building for academic instruction that:

(i) will be used for any combination of grade 9 through grade 12;

(ii) will not be used for any combination of kindergarten through grade 8; and

(iii) will cost more than twenty million dollars (\$20,000,000).

(C) Any other controlled project that:

(i) is not a controlled project described in clause (A) or (B); and

(ii) will cost the political subdivision more than the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of



1 property within the political subdivision on the last  
 2 assessment date (if that amount is at least one million dollars  
 3 (\$1,000,000)).

4 (2) The proper officers of the political subdivision make a  
 5 preliminary determination after June 30, 2008, in the manner  
 6 described in subsection (b) to issue bonds or enter into a lease for  
 7 the controlled project.

8 (b) A political subdivision may not impose property taxes to pay  
 9 debt service on bonds or lease rentals on a lease for a controlled project  
 10 without completing the following procedures:

11 (1) The proper officers of a political subdivision shall publish  
 12 notice in accordance with IC 5-3-1 and send notice by first class  
 13 mail to any organization that delivers to the officers, before  
 14 January 1 of that year, an annual written request for notices of any  
 15 meeting to consider the adoption of an ordinance or a resolution  
 16 making a preliminary determination to issue bonds or enter into  
 17 a lease and shall conduct a public hearing on the preliminary  
 18 determination before adoption of the ordinance or resolution. The  
 19 political subdivision must make the following information  
 20 available to the public at the public hearing on the preliminary  
 21 determination, in addition to any other information required by  
 22 law:

23 (A) The result of the political subdivision's current and  
 24 projected annual debt service payments divided by the net  
 25 assessed value of taxable property within the political  
 26 subdivision.

27 (B) The result of:

28 (i) the sum of the political subdivision's outstanding long  
 29 term debt plus the outstanding long term debt of other taxing  
 30 units that include any of the territory of the political  
 31 subdivision; divided by

32 (ii) the net assessed value of taxable property within the  
 33 political subdivision.

34 **(C) The information specified in subdivision (3)(A) through**  
 35 **(3)(G).**

36 (2) If the proper officers of a political subdivision make a  
 37 preliminary determination to issue bonds or enter into a lease, the  
 38 officers shall give notice of the preliminary determination by:



- 1 (A) publication in accordance with IC 5-3-1; and
- 2 (B) first class mail to the organizations described in
- 3 subdivision (1).
- 4 (3) A notice under subdivision (2) of the preliminary
- 5 determination of the political subdivision to issue bonds or enter
- 6 into a lease must include the following information:
- 7 (A) The maximum term of the bonds or lease.
- 8 (B) The maximum principal amount of the bonds or the
- 9 maximum lease rental for the lease.
- 10 (C) The estimated interest rates that will be paid and the total
- 11 interest costs associated with the bonds or lease.
- 12 (D) The purpose of the bonds or lease.
- 13 (E) A statement that the proposed debt service or lease
- 14 payments must be approved in an election on a local public
- 15 question held under section 3.6 of this chapter.
- 16 (F) With respect to bonds issued or a lease entered into to
- 17 open:
- 18 (i) a new school facility; or
- 19 (ii) an existing facility that has not been used for at least
- 20 three (3) years and that is being reopened to provide
- 21 additional classroom space;
- 22 the estimated costs the school corporation expects to annually
- 23 incur to operate the facility.
- 24 (G) The political subdivision's current debt service levy and
- 25 rate and the estimated increase to the political subdivision's
- 26 debt service levy and rate that will result if the political
- 27 subdivision issues the bonds or enters into the lease.
- 28 **(H) The information specified in subdivision (1)(A)**
- 29 **through (1)(B).**
- 30 (4) After notice is given, a petition requesting the application of
- 31 the local public question process under section 3.6 of this chapter
- 32 may be filed by the lesser of:
- 33 (A) one hundred (100) persons who are either owners of real
- 34 property within the political subdivision or registered voters
- 35 residing within the political subdivision; or
- 36 (B) five percent (5%) of the registered voters residing within
- 37 the political subdivision.
- 38 (5) The state board of accounts shall design and, upon request by



1 the county voter registration office, deliver to the county voter  
2 registration office or the county voter registration office's  
3 designated printer the petition forms to be used solely in the  
4 petition process described in this section. The county voter  
5 registration office shall issue to an owner or owners of real  
6 property within the political subdivision or a registered voter  
7 residing within the political subdivision the number of petition  
8 forms requested by the owner or owners or the registered voter.  
9 Each form must be accompanied by instructions detailing the  
10 requirements that:

11 (A) the carrier and signers must be owners of real property or  
12 registered voters;

13 (B) the carrier must be a signatory on at least one (1) petition;

14 (C) after the signatures have been collected, the carrier must  
15 swear or affirm before a notary public that the carrier  
16 witnessed each signature; and

17 (D) govern the closing date for the petition period.

18 Persons requesting forms may be required to identify themselves  
19 as owners of real property or registered voters and may be  
20 allowed to pick up additional copies to distribute to other property  
21 owners or registered voters. Each person signing a petition must  
22 indicate whether the person is signing the petition as a registered  
23 voter within the political subdivision or is signing the petition as  
24 the owner of real property within the political subdivision. A  
25 person who signs a petition as a registered voter must indicate the  
26 address at which the person is registered to vote. A person who  
27 signs a petition as a real property owner must indicate the address  
28 of the real property owned by the person in the political  
29 subdivision.

30 (6) Each petition must be verified under oath by at least one (1)  
31 qualified petitioner in a manner prescribed by the state board of  
32 accounts before the petition is filed with the county voter  
33 registration office under subdivision (7).

34 (7) Each petition must be filed with the county voter registration  
35 office not more than thirty (30) days after publication under  
36 subdivision (2) of the notice of the preliminary determination.

37 (8) The county voter registration office shall determine whether  
38 each person who signed the petition is a registered voter.



1 However, after the county voter registration office has determined  
2 that at least one hundred twenty-five (125) persons who signed  
3 the petition are registered voters within the political subdivision,  
4 the county voter registration office is not required to verify  
5 whether the remaining persons who signed the petition are  
6 registered voters. If the county voter registration office does not  
7 determine that at least one hundred twenty-five (125) persons who  
8 signed the petition are registered voters, the county voter  
9 registration office, not more than fifteen (15) business days after  
10 receiving a petition, shall forward a copy of the petition to the  
11 county auditor. Not more than ten (10) business days after  
12 receiving the copy of the petition, the county auditor shall provide  
13 to the county voter registration office a statement verifying:

14 (A) whether a person who signed the petition as a registered  
15 voter but is not a registered voter, as determined by the county  
16 voter registration office, is the owner of real property in the  
17 political subdivision; and

18 (B) whether a person who signed the petition as an owner of  
19 real property within the political subdivision does in fact own  
20 real property within the political subdivision.

21 (9) The county voter registration office, not more than ten (10)  
22 business days after determining that at least one hundred  
23 twenty-five (125) persons who signed the petition are registered  
24 voters or after receiving the statement from the county auditor  
25 under subdivision (8) (as applicable), shall make the final  
26 determination of whether a sufficient number of persons have  
27 signed the petition. Whenever the name of an individual who  
28 signs a petition form as a registered voter contains a minor  
29 variation from the name of the registered voter as set forth in the  
30 records of the county voter registration office, the signature is  
31 presumed to be valid, and there is a presumption that the  
32 individual is entitled to sign the petition under this section. Except  
33 as otherwise provided in this chapter, in determining whether an  
34 individual is a registered voter, the county voter registration office  
35 shall apply the requirements and procedures used under IC 3 to  
36 determine whether a person is a registered voter for purposes of  
37 voting in an election governed by IC 3. However, an individual is  
38 not required to comply with the provisions concerning providing



1 proof of identification to be considered a registered voter for  
 2 purposes of this chapter. A person is entitled to sign a petition  
 3 only one (1) time in a particular referendum process under this  
 4 chapter, regardless of whether the person owns more than one (1)  
 5 parcel of real property within the political subdivision and  
 6 regardless of whether the person is both a registered voter in the  
 7 political subdivision and the owner of real property within the  
 8 political subdivision. Notwithstanding any other provision of this  
 9 section, if a petition is presented to the county voter registration  
 10 office within ~~thirty-five (35)~~ **forty-five (45)** days before an  
 11 election, the county voter registration office may defer acting on  
 12 the petition, and the time requirements under this section for  
 13 action by the county voter registration office do not begin to run  
 14 until five (5) days after the date of the election.

15 (10) The county voter registration office must file a certificate and  
 16 each petition with:

17 (A) the township trustee, if the political subdivision is a  
 18 township, who shall present the petition or petitions to the  
 19 township board; or

20 (B) the body that has the authority to authorize the issuance of  
 21 the bonds or the execution of a lease, if the political  
 22 subdivision is not a township;

23 within thirty-five (35) business days of the filing of the petition  
 24 requesting the referendum process. The certificate must state the  
 25 number of petitioners who are owners of real property within the  
 26 political subdivision and the number of petitioners who are  
 27 registered voters residing within the political subdivision.

28 (11) If a sufficient petition requesting the local public question  
 29 process is not filed by owners of real property or registered voters  
 30 as set forth in this section, the political subdivision may issue  
 31 bonds or enter into a lease by following the provisions of law  
 32 relating to the bonds to be issued or lease to be entered into.

33 (c) If the proper officers of a political subdivision make a  
 34 preliminary determination to issue bonds or enter into a lease, the  
 35 officers shall provide to the county auditor:

36 (1) a copy of the notice required by subsection (b)(2); and

37 (2) any other information the county auditor requires to fulfill the  
 38 county auditor's duties under section 3.6 of this chapter.



SECTION 103. IC 6-1.1-20-3.6, AS ADDED BY P.L.146-2008,  
SECTION 194, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.6. (a)

**Except as provided in section 3.7 of this chapter,** this section applies  
only to a controlled project described in section 3.5(a) of this chapter.

(b) If a sufficient petition requesting the application of the local  
public question process has been filed as set forth in section 3.5 of this  
chapter, a political subdivision may not impose property taxes to pay  
debt service on bonds or lease rentals on a lease for a controlled project  
unless the political subdivision's proposed debt service or lease rental  
is approved in an election on a local public question held under this  
section.

(c) **Except as provided in subsection (j),** the following question  
shall be submitted to the **eligible** voters at the election conducted under  
this section:

"Shall \_\_\_\_\_ (insert the name of the political subdivision)  
issue bonds or enter into a lease to finance \_\_\_\_\_ (insert  
the description of the controlled project, **the total cost of the  
project, and the estimated increase in the property tax rate  
for debt service (as determined by the department of local  
government finance))?**".

(d) The county auditor shall certify the public question described in  
subsection (c) under IC 3-10-9-3 to the county election board of each  
county in which the political subdivision is located. ~~After the public  
question is certified; The certification must occur not later than~~  
**noon:**

**(1) sixty (60) days before a primary election if the public  
question is to be placed on the primary or municipal primary  
election ballot; or**

**(2) August 1 if the public question is to be placed on the  
general or municipal election ballot.**

**Subject to the certification requirements and deadlines under this  
subsection and except as provided in subsection (j),** the public  
question shall be placed on the ballot at the next primary election,  
general election, or municipal election in which all voters of the  
political subdivision are entitled to vote. However, if a primary  
election, general election, or municipal election will not be held ~~in the~~  
**six (6) month period after the county auditor certifies during the first**



1 **year in which the public question is eligible to be placed on the**  
 2 **ballot under this section and if the political subdivision requests the**  
 3 **public question to be placed on the ballot at a special election, the**  
 4 public question shall be placed on the ballot at a special election to be  
 5 held

6 (1) not earlier than ninety (90) days; and

7 (2) not later than one hundred twenty (120) days;

8 after the public question is certified if the fiscal body of the political  
 9 subdivision that wishes to issue the bonds or enter into the lease  
 10 requests the public question to be voted on in a special election.  
 11 However, in a year in which a general election or municipal election is  
 12 held, the public question may be placed on the ballot at a special  
 13 election only if the fiscal body of the political subdivision that requests  
 14 the special election on the first Tuesday after the first Monday in  
 15 May or November of the year. The certification must occur not  
 16 later than noon sixty (60) days before a special election to be held  
 17 in May (if the special election is to be held in May) or noon on  
 18 August 1 (if the special election is to be held in November).  
 19 However, a special election may be held only if the fiscal body of  
 20 the political subdivision that requests the special election agrees to  
 21 pay the costs of holding the special election. In a year in which a  
 22 general election is not held and a municipal election is not held, the  
 23 fiscal body of the political subdivision that requests the special election  
 24 is not required to pay the costs of holding the special election. The  
 25 county election board shall give notice under IC 5-3-1 of a special  
 26 election conducted under this subsection. A special election conducted  
 27 under this subsection is under the direction of the county election  
 28 board. The county election board shall take all steps necessary to carry  
 29 out the special election.

30 (e) The circuit court clerk shall certify the results of the public  
 31 question to the following:

32 (1) The county auditor of each county in which the political  
 33 subdivision is located.

34 (2) The department of local government finance.

35 (f) Subject to the requirements of IC 6-1.1-18.5-8, the political  
 36 subdivision may issue the proposed bonds or enter into the proposed  
 37 lease rental if a majority of the **eligible** voters voting on the public  
 38 question vote in favor of the public question.



1 (g) If a majority of the **eligible** voters voting on the public question  
2 vote in opposition to the public question, both of the following apply:

3 (1) The political subdivision may not issue the proposed bonds or  
4 enter into the proposed lease rental.

5 (2) Another public question under this section on the same or a  
6 substantially similar project may not be submitted to the voters  
7 earlier than one (1) year after the date of the election.

8 (h) IC 3, to the extent not inconsistent with this section, applies to  
9 an election held under this section.

10 (i) A political subdivision may not artificially divide a capital  
11 project into multiple capital projects in order to avoid the requirements  
12 of this section and section 3.5 of this chapter.

13 **(j) This subsection applies to a political subdivision for which a**  
14 **petition requesting a public question has been submitted under**  
15 **section 3.5 of this chapter. The legislative body (as defined in**  
16 **IC 36-1-2-9) of the political subdivision may adopt a resolution to**  
17 **withdraw a controlled project from consideration at a public**  
18 **question. If the legislative body provides a certified copy of the**  
19 **resolution to the county auditor and the county election board not**  
20 **later than forty-nine (49) days before the election at which the**  
21 **public question would be on the ballot, the public question on the**  
22 **controlled project shall not be placed on the ballot and the public**  
23 **question on the controlled project shall not be held, regardless of**  
24 **whether the county auditor has certified the public question to the**  
25 **county election board. If the withdrawal of a public question under**  
26 **this subsection requires the county election board to reprint**  
27 **ballots, the political subdivision withdrawing the public question**  
28 **shall pay the costs of reprinting the ballots. If a political**  
29 **subdivision withdraws a public question under this subsection that**  
30 **would have been held at a special election and the county election**  
31 **board has printed the ballots before the legislative body of the**  
32 **political subdivision provides a certified copy of the withdrawal**  
33 **resolution to the county auditor and the county election board, the**  
34 **political subdivision withdrawing the public question shall pay the**  
35 **costs incurred by the county in printing the ballots. If a public**  
36 **question on a controlled project is withdrawn under this**  
37 **subsection, a public question under this section on the same**  
38 **controlled project or a substantially similar controlled project may**



1 not be submitted to the voters earlier than one (1) year after the  
2 date the resolution withdrawing the public question is adopted.

3 (k) If a public question regarding a controlled project is placed  
4 on the ballot to be voted on at a public question under this section,  
5 the department of local government finance shall post the following  
6 information regarding the proposed controlled project on the  
7 department's Internet web site:

8 (1) The cost per square foot of any buildings being  
9 constructed as part of the controlled project.

10 (2) The effect that approval of the controlled project would  
11 have on the political subdivision's property tax rate.

12 (3) The maximum term of the bonds or lease.

13 (4) The maximum principal amount of the bonds or the  
14 maximum lease rental for the lease.

15 (5) The estimated interest rates that will be paid and the total  
16 interest costs associated with the bonds or lease.

17 (6) The purpose of the bonds or lease.

18 (7) In the case of a controlled project proposed by a school  
19 corporation:

20 (A) the current and proposed square footage of school  
21 building space per student;

22 (B) enrollment patterns within the school corporation; and

23 (C) the age and condition of the current school facilities.

24 SECTION 104. IC 6-1.1-20-3.7 IS ADDED TO THE INDIANA  
25 CODE AS A NEW SECTION TO READ AS FOLLOWS  
26 [EFFECTIVE UPON PASSAGE]: Sec. 3.7. (a) This section applies to  
27 the following:

28 (1) The issuance of bonds or the entering into a lease for a  
29 controlled project:

30 (A) to which section 3.5 of this chapter applies; and

31 (B) for which a sufficient petition requesting the  
32 application of the local public question process under  
33 section 3.6 of this chapter has not been filed as set forth in  
34 section 3.5 of this chapter within the time required under  
35 section 3.5(b)(7) of this chapter.

36 (2) The issuance of bonds or the entering into a lease for a  
37 capital project:

38 (A) that is not a controlled project to which section 3.5 of



1           this chapter applies; and  
 2           **(B) that would, but for the application of section 1.1(6) of**  
 3           **this chapter to the project, be a controlled project to which**  
 4           **section 3.5 of this chapter applies.**

5           **(b) If the proper officers of a political subdivision make a**  
 6           **preliminary determination to issue bonds described in subsection**  
 7           **(a) or enter into a lease described in subsection (a), the fiscal body**  
 8           **of the political subdivision may adopt a resolution specifying that**  
 9           **the local public question process specified in section 3.6 of this**  
 10           **chapter applies to the issuance of the bonds or the entering into the**  
 11           **lease, notwithstanding that:**

12           **(1) a sufficient petition requesting the application of the local**  
 13           **public question process under section 3.6 of this chapter has**  
 14           **not been filed as set forth in section 3.5 of this chapter (in the**  
 15           **case of bonds or a lease described in subsection (a)(1)); or**  
 16           **(2) because of the application of section 1.1(6) of this chapter,**  
 17           **the bonds or lease is not considered to be issued or entered**  
 18           **into for a controlled project (in the case of bonds or a lease**  
 19           **described in subsection (a)(2)).**

20           **(c) The following apply to the adoption of a resolution by the**  
 21           **fiscal body of a political subdivision under subsection (b):**

22           **(1) In the case of bonds or a lease described in subsection**  
 23           **(a)(1) and for which no petition requesting the application of**  
 24           **the local public question process under section 3.6 of this**  
 25           **chapter has been filed within the time required under section**  
 26           **3.5(b)(7) of this chapter, the fiscal body must adopt the**  
 27           **resolution not more than sixty (60) days after publication of**  
 28           **the notice of the preliminary determination to issue the bonds**  
 29           **or enter into the lease.**

30           **(2) In the case of bonds or a lease described in subsection**  
 31           **(a)(1) for which a petition requesting the application of the**  
 32           **local public question process under section 3.6 of this chapter:**

33           **(A) has been filed under section 3.5 of this chapter; and**  
 34           **(B) is determined to have an insufficient number of**  
 35           **signatures to require application of the local public**  
 36           **question process under section 3.6 of this chapter;**  
 37           **the fiscal body must adopt the resolution not more than thirty**  
 38           **(30) days after the county voter registration office makes the**



1        **final determination under section 3.5 of this chapter that a**  
 2        **sufficient number of persons have not signed the petition.**

3        **(3) In the case of bonds or a lease described in subsection**  
 4        **(a)(2), the fiscal body must adopt the resolution not more than**  
 5        **thirty (30) days after publication of the notice of the**  
 6        **preliminary determination to issue the bonds or enter into the**  
 7        **lease.**

8        **(4) The fiscal body shall certify the resolution to the county**  
 9        **election board of each county in which the political**  
 10        **subdivision is located, and the county election board shall**  
 11        **place the public question on the ballot as provided in section**  
 12        **3.6 of this chapter.**

13        **(d) Except to the extent it is inconsistent with this section,**  
 14        **section 3.6 of this chapter applies to a local public question placed**  
 15        **on the ballot under this section.**

16        SECTION 105. IC 6-1.1-20.6-2, AS AMENDED BY P.L.146-2008,  
 17        SECTION 215, IS AMENDED TO READ AS FOLLOWS  
 18        [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) As  
 19        used in this chapter, "homestead" ~~has the meaning set forth in~~ **refers**  
 20        **to a homestead that is eligible for a standard deduction under**  
 21        **IC 6-1.1-12-37.**

22        (b) The term includes a house or apartment that is owned or leased  
 23        by a cooperative housing corporation (as defined in 26 U.S.C. 216(b)).

24        SECTION 106. IC 6-1.1-20.6-8.5, AS ADDED BY P.L.146-2008,  
 25        SECTION 225, IS AMENDED TO READ AS FOLLOWS  
 26        [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8.5. (a)  
 27        ~~This section applies to property taxes first due and payable for a~~  
 28        ~~calendar year after December 31, 2008:~~ This section applies to an  
 29        individual who:

30        (1) qualified for a standard deduction granted under  
 31        IC 6-1.1-12-37 for the individual's homestead property in the  
 32        immediately preceding calendar year (or was married at the time  
 33        of death to a deceased spouse who qualified for a standard  
 34        deduction granted under IC 6-1.1-12-37 for the individual's  
 35        homestead property in the immediately preceding calendar year);  
 36        ~~and~~

37        (2) qualifies for a standard deduction granted under  
 38        IC 6-1.1-12-37 for the same homestead property in the current



1           calendar year;

2           **(3) is or will be at least sixty-five (65) years of age on or before**  
 3           **December 31 of the calendar year immediately preceding the**  
 4           **current calendar year; and**

5           **(4) had:**

6               **(A) in the case of an individual who filed a single return,**  
 7               **adjusted gross income (as defined in Section 62 of the**  
 8               **Internal Revenue Code) not exceeding thirty thousand**  
 9               **dollars (\$30,000); or**

10              **(B) in the case of an individual who filed a joint income tax**  
 11              **return with the individual's spouse, combined adjusted**  
 12              **gross income (as defined in Section 62 of the Internal**  
 13              **Revenue Code) not exceeding forty thousand dollars**  
 14              **(\$40,000);**

15           **for the calendar year preceding by two (2) years the calendar**  
 16           **year in which property taxes are first due and payable.**

17           **(b) This section does not apply if the gross assessed value of the**  
 18           **homestead on the assessment date for which property taxes are**  
 19           **imposed is at least one hundred sixty thousand dollars (\$160,000).**

20           ~~(b)~~ **(c) An individual is entitled to an additional credit under this**  
 21           **section for property taxes first due and payable for a calendar year on**  
 22           **a homestead if:**

23               **(1) the individual and the homestead ~~qualifies as qualified~~**  
 24               **~~homestead~~ property qualify for the credit under subsection (a)**  
 25               **for the calendar year;**

26               **(2) the homestead is not disqualified for the credit under**  
 27               **subsection (b) for the calendar year; and**

28               **(3) the filing requirements under subsection (e) are met.**

29           ~~(c)~~ **(d) The amount of the credit is equal to the greater of zero (0) or**  
 30           **the result of:**

31               **(1) the property tax liability first due and payable on the ~~qualified~~**  
 32               **~~homestead~~ property for the calendar year; minus**

33               **(2) the result of:**

34                   **(A) the property tax liability first due and payable on the**  
 35                   **qualified homestead property for the immediately preceding**  
 36                   **year; multiplied by**

37                   **(B) one and two hundredths (1.02).**

38           **However, property tax liability imposed on any improvements to or**



1 expansion of the homestead property after the assessment date for  
 2 which property tax liability described in subdivision (2) was imposed  
 3 shall not be considered in determining the credit granted under this  
 4 section in the current calendar year.

5 (d) The following adjusted gross income limits apply to an  
 6 individual who claims a credit under this section:

7 (1) In the case of an individual who files a single return, the  
 8 adjusted gross income (as defined in Section 62 of the Internal  
 9 Revenue Code) of the individual claiming the exemption may not  
 10 exceed thirty thousand dollars (\$30,000):

11 (2) In the case of an individual who files a joint income tax return  
 12 with the individual's spouse, the combined adjusted gross income  
 13 (as defined in Section 62 of the Internal Revenue Code) of the  
 14 individual and the individual's spouse may not exceed forty  
 15 thousand dollars (\$40,000):

16 (e) Applications for a credit under this section shall be filed in the  
 17 manner provided for an application for a deduction under  
 18 IC 6-1.1-12-9. However, an individual who remains eligible for the  
 19 credit in the following year is not required to file a statement to apply  
 20 for the credit in the following year. An individual who receives a credit  
 21 under this section in a particular year and who becomes ineligible for  
 22 the credit in the following year shall notify the auditor of the county in  
 23 which the homestead is located of the individual's ineligibility ~~before~~  
 24 ~~June 11 of the year in which~~ **not later than sixty (60) days after** the  
 25 individual becomes ineligible.

26 (f) The auditor of each county shall, in a particular year, apply a  
 27 credit provided under this section to each individual who received the  
 28 credit in the preceding year unless the auditor determines that the  
 29 individual is no longer eligible for the credit.

30 SECTION 107. IC 6-1.1-21.2-12, AS AMENDED BY  
 31 P.L.146-2008, SECTION 239, IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) This section  
 33 applies if the tax increment replacement amount for an allocation area  
 34 in a district is greater than zero (0).

35 (b) A governing body may, after a public hearing, do the following:

36 (1) Impose a special assessment on the owners of property that is  
 37 located in an allocation area to raise an amount not to exceed the  
 38 tax increment replacement amount.



1 (2) Impose a tax on all taxable property in the district in which the  
2 governing body exercises jurisdiction to raise an amount not to  
3 exceed the tax increment replacement amount.

4 (3) Reduce the base assessed value of property in the allocation  
5 area to an amount that is sufficient to increase the tax increment  
6 revenues in the allocation area by an amount that does not exceed  
7 the tax increment replacement amount.

8 (c) The governing body shall submit a proposed special assessment  
9 or tax levy under this section to the legislative body of the unit that  
10 established the district. The legislative body may:

11 (1) reduce the amount of the special assessment or tax to be levied  
12 under this section;

13 (2) determine that no special assessment or property tax should be  
14 levied under this section; or

15 (3) increase the special assessment or tax to the amount necessary  
16 to fully fund the tax increment replacement amount.

17 (d) Before a public hearing under subsection (b) may be held, the  
18 governing body must publish notice of the hearing under IC 5-3-1. The  
19 notice must also be sent to the fiscal officer of each political  
20 subdivision that is located in any part of the district. The notice must  
21 state that the governing body will meet to consider whether a special  
22 assessment or tax should be imposed under this chapter and whether  
23 the special assessment or tax will help the governing body realize the  
24 redevelopment or economic development objectives for the allocation  
25 area or honor its obligations related to the allocation area. The notice  
26 must also specify a date when the governing body will receive and hear  
27 remonstrances and objections from persons affected by the special  
28 assessment. All persons affected by the hearing, including all taxpayers  
29 within the allocation area, shall be considered notified of the pendency  
30 of the hearing and of subsequent acts, hearings, and orders of the  
31 governing body by the notice. At the hearing, which may be adjourned  
32 from time to time, the governing body shall hear all persons affected by  
33 the proceedings and shall consider all written remonstrances and  
34 objections that have been filed. The only grounds for remonstrance or  
35 objection are that the special assessment or tax will not help the  
36 governing body realize the redevelopment or economic development  
37 objectives for the allocation area or honor its obligations related to the  
38 allocation area. After considering the evidence presented, the



governing body shall take final action concerning the proposed special assessment or tax. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (e).

(e) A person who filed a written remonstrance with a governing body under subsection (d) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed special assessment or tax will help achieve the redevelopment of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

**(f) This section applies to a governing body that:**

- (1) is the metropolitan development commission for a county having a consolidated city; and**
- (2) has established an allocation area and pledged tax increment revenues from the area to the payment of bonds, leases, or other obligations before May 8, 1989.**

**Notwithstanding subsections (a) through (e), the governing body may determine to fund that part of the tax increment replacement amount attributable to the repeal of IC 36-7-15.1-26.5, IC 36-7-15.1-26.7, and IC 36-7-15.1-26.9 from property taxes on personal property (as defined in IC 6-1.1-1-11). If the governing body makes such a determination, the property taxes on personal property in the amount determined under this subsection shall be allocated to the redevelopment district, paid into the special fund for the allocation area, and used for the purposes specified in**



1     **IC 36-7-15.1-26.**

2     SECTION 108. IC 6-1.1-21.2-15, AS AMENDED BY  
 3     P.L.146-2008, SECTION 240, IS AMENDED TO READ AS  
 4     FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
 5     Sec. 15. (a) As the special assessment or tax imposed under this  
 6     chapter is collected by the county treasurer, it shall be transferred to the  
 7     governing body and accumulated and kept in the special fund for the  
 8     allocation area.

9     (b) A special assessment or tax levied under this chapter is not  
 10    subject to IC 6-1.1-20.

11    (c) A special assessment or tax levied under this chapter and the use  
 12    of revenues from a special assessment or tax levied under this chapter  
 13    by a governing body do not create a constitutional or statutory debt,  
 14    pledge, or obligation of the governing body, the district, or any county,  
 15    city, town, or township.

16    **(d) The ad valorem property tax levy limits imposed by**  
 17    **IC 6-1.1-18.5-3 or another provision of IC 6-1.1-18.5 do not apply**  
 18    **to a special assessment or tax imposed under this chapter. For**  
 19    **purposes of computing the ad valorem property tax levy limit**  
 20    **imposed on a civil taxing unit under IC 6-1.1-18.5-3 or another**  
 21    **provision of IC 6-1.1-18.5, the civil taxing unit's ad valorem**  
 22    **property tax levy for a particular calendar year does not include**  
 23    **a special assessment or tax imposed under this chapter.**

24    SECTION 109. IC 6-1.1-22-5, AS AMENDED BY P.L.146-2008,  
 25    SECTION 250, IS AMENDED TO READ AS FOLLOWS  
 26    [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) Except as provided in  
 27    subsections (b) and (c), on or before March 15 of each year, the county  
 28    auditor shall prepare and deliver to the auditor of state and the county  
 29    treasurer a certified copy of an abstract of the property, assessments,  
 30    taxes, deductions, and exemptions for taxes payable in that year in each  
 31    taxing district of the county. The county auditor shall prepare the  
 32    abstract in such a manner that the information concerning property tax  
 33    deductions reflects the total amount of each type of deduction. The  
 34    abstract shall also contain a statement of the taxes and penalties unpaid  
 35    in each taxing unit at the time of the last settlement between the county  
 36    auditor and county treasurer and the status of these delinquencies. The  
 37    county auditor shall prepare the abstract on the form prescribed by the  
 38    state board of accounts. The auditor of state, county auditor, and county



1 treasurer shall each keep a copy of the abstract as a public record.

2 (b) If the county auditor receives a copy of an appeal petition under  
 3 ~~IC 6-1.1-18.5-12(d)~~ **IC 6-1.1-18.5-12(g)** before the county auditor  
 4 prepares and delivers the certified copy of the abstract under subsection  
 5 (a), the county auditor shall prepare and deliver the certified copy of  
 6 the abstract when the appeal is resolved by the department of local  
 7 government finance.

8 (c) If the county auditor receives a copy of an appeal petition under  
 9 ~~IC 6-1.1-18.5-12(d)~~ **IC 6-1.1-18.5-12(g)** after the county auditor  
 10 prepares and delivers the certified copy of the abstract under subsection  
 11 (a), the county auditor shall prepare and deliver a certified copy of a  
 12 revised abstract when the appeal is resolved by the department of local  
 13 government finance that reflects the action of the department.

14 SECTION 110. IC 6-1.1-22-8.1, AS AMENDED BY HEA  
 15 1198-2009, SECTION 46, IS AMENDED TO READ AS FOLLOWS  
 16 [EFFECTIVE JULY 1, 2009]: Sec. 8.1. ~~(a) This section applies only to~~  
 17 ~~property taxes and special assessments first due and payable after~~  
 18 ~~December 31, 2007.~~

19 ~~(b)~~ **(a)** The county treasurer shall:

- 20 (1) mail to the last known address of each person liable for any  
 21 property taxes or special assessment, as shown on the tax  
 22 duplicate or special assessment records, or to the last known  
 23 address of the most recent owner shown in the transfer book; and  
 24 (2) transmit by written, electronic, or other means to a mortgagee  
 25 maintaining an escrow account for a person who is liable for any  
 26 property taxes or special assessments, as shown on the tax  
 27 duplicate or special assessment records;

28 a statement in the form required under subsection ~~(c)~~. ~~However, for~~  
 29 ~~property taxes first due and payable in 2008, the county treasurer may~~  
 30 ~~choose to use a tax statement that is different from the tax statement~~  
 31 ~~prescribed by the department under subsection (c). If a county chooses~~  
 32 ~~to use a different tax statement, the county must still transmit (with the~~  
 33 ~~tax bill) the statement in either color type or black-and-white type.~~ **(b).**

34 ~~(c)~~ **(b)** The department of local government finance shall prescribe  
 35 a form ~~subject to the approval of the state board of accounts, for the~~  
 36 statement under subsection ~~(b)~~ **(a)** that includes at least the following:

- 37 (1) A statement of the taxpayer's current and delinquent taxes and  
 38 special assessments.



- 1 (2) A breakdown showing the total property tax and special  
 2 assessment liability and the amount of the taxpayer's liability that  
 3 will be distributed to each taxing unit in the county.
- 4 (3) An itemized listing, ~~for each property tax levy~~; including:  
 5 ~~(A) the amount of the tax rate;~~  
 6 ~~(B) (A) the entity levying the tax owed; and~~  
 7 ~~(C) (B) the dollar amount of the tax owed.~~
- 8 (4) Information designed to show the manner in which the taxes  
 9 and special assessments billed in the tax statement are to be used.
- 10 (5) A comparison showing any change in the assessed valuation  
 11 for the property as compared to the previous year.
- 12 (6) A comparison showing any change in the property tax and  
 13 special assessment liability for the property as compared to the  
 14 previous year. The information required under this subdivision  
 15 must identify  
 16 ~~(A) the amount of the taxpayer's liability distributable to each~~  
 17 ~~taxing unit in which the property is located in the current year~~  
 18 ~~and in the previous year. and~~  
 19 ~~(B) the percentage change, if any, in the amount of the~~  
 20 ~~taxpayer's liability distributable to each taxing unit in which~~  
 21 ~~the property is located from the previous year to the current~~  
 22 ~~year.~~
- 23 (7) An explanation of the following:  
 24 (A) The homestead credit and all property tax deductions.  
 25 (B) The procedure and deadline for filing for the homestead  
 26 credit and each deduction.  
 27 (C) The procedure that a taxpayer must follow to:  
 28 (i) appeal a current assessment; or  
 29 (ii) petition for the correction of an error related to the  
 30 taxpayer's property tax and special assessment liability.  
 31 (D) The forms that must be filed for an appeal or a petition  
 32 described in clause (C).
- 33 The department of local government finance shall provide the  
 34 explanation required by this subdivision to each county treasurer.
- 35 (8) A checklist that shows:  
 36 (A) the homestead credit and all property tax deductions; and  
 37 (B) whether the homestead credit and each property tax  
 38 deduction applies in the current statement for the property



1 transmitted under subsection ~~(b)~~ **(a)**.

2 ~~(d)~~ **(c)** The county treasurer may mail or transmit the statement one  
 3 (1) time each year at least fifteen (15) days before the date on which  
 4 the first or only installment is due. Whenever a person's tax liability for  
 5 a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of  
 6 this chapter, a statement that is mailed must include the date on which  
 7 the installment is due and denote the amount of money to be paid for  
 8 the installment. Whenever a person's tax liability is due in two (2)  
 9 installments, a statement that is mailed must contain the dates on which  
 10 the first and second installments are due and denote the amount of  
 11 money to be paid for each installment.

12 ~~(e)~~ **(d)** All payments of property taxes and special assessments shall  
 13 be made to the county treasurer. The county treasurer, when authorized  
 14 by the board of county commissioners, may open temporary offices for  
 15 the collection of taxes in cities and towns in the county other than the  
 16 county seat.

17 ~~(f)~~ **(e)** The county treasurer, county auditor, and county assessor  
 18 shall cooperate to generate the information to be included in the  
 19 statement under subsection ~~(e)~~ **(b)**.

20 ~~(g)~~ **(f)** The information to be included in the statement under  
 21 subsection ~~(e)~~ **(b)** must be simply and clearly presented and  
 22 understandable to the average individual.

23 ~~(h)~~ **(g)** After December 31, 2007, a reference in a law or rule to  
 24 IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated  
 25 as a reference to this section.

26 SECTION 111. IC 6-1.1-22-9, AS AMENDED BY P.L.146-2008,  
 27 SECTION 252, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 9. (a)  
 29 Except as provided in ~~subsections~~ **subsection** (b), ~~and (c)~~ the property  
 30 taxes assessed for a year under this article are due in two (2) equal  
 31 installments on May 10 and November 10 of the following year.

32 (b) Subsection (a) does not apply if any of the following apply to the  
 33 property taxes assessed for the year under this article:

34 (1) Subsection (c).

35 (2) Subsection (d).

36 ~~(3) Subsection (h):~~

37 ~~(4) Subsection (i):~~

38 ~~(5) (3) IC 6-1.1-7-7.~~



1           ~~(6)~~ (4) Section 9.5 of this chapter.

2           **(5) Section 9.7 of this chapter.**

3           **(6) IC 6-1.1-7-7.**

4           **(7) IC 6-1.1-22.5-12.**

5           (c) A county council may adopt an ordinance to require a person to  
6 pay the person's property tax liability in one (1) installment, if the tax  
7 liability for a particular year is less than twenty-five dollars (\$25). If the  
8 county council has adopted such an ordinance, then whenever a tax  
9 statement mailed under section 8.1 of this chapter shows that the  
10 person's property tax liability for a year is less than twenty-five dollars  
11 (\$25) for the property covered by that statement, the tax liability for  
12 that year is due in one (1) installment on May 10 of that year.

13           (d) If the county treasurer receives a copy of an appeal petition  
14 under ~~IC 6-1.1-18.5-12~~ **(d) IC 6-1.1-18.5-12** before the county treasurer  
15 mails or transmits statements under section ~~8-1(b)~~ **8.1** of this chapter,  
16 the county treasurer may:

17           (1) mail or transmit the statements without regard to the pendency  
18 of the appeal and, if the resolution of the appeal by the department  
19 of local government finance results in changes in levies, mail or  
20 transmit reconciling statements under subsection (e); or

21           (2) delay the mailing or transmission of statements under section  
22 ~~8-1(b)~~ **8.1(a)** of this chapter so that:

23           (A) the due date of the first installment that would otherwise  
24 be due under subsection (a) is delayed by not more than sixty  
25 (60) days; and

26           (B) all statements reflect any changes in levies that result from  
27 the resolution of the appeal by the department of local  
28 government finance.

29           (e) A reconciling statement under subsection (d)(1) must indicate:

30           (1) the total amount due for the year;

31           (2) the total amount of the installments paid that did not reflect  
32 the resolution of the appeal under ~~IC 6-1.1-18.5-12~~ **(d)**  
33 **IC 6-1.1-18.5-12** by the department of local government finance;

34           (3) if the amount under subdivision (1) exceeds the amount under  
35 subdivision (2), the adjusted amount that is payable by the  
36 taxpayer:

37           (A) as a final reconciliation of all amounts due for the year;

38           and



- 1 (B) not later than:  
 2 (i) November 10; or  
 3 (ii) the date or dates established under section 9.5 of this  
 4 chapter; and  
 5 (4) if the amount under subdivision (2) exceeds the amount under  
 6 subdivision (1), that the taxpayer may claim a refund of the excess  
 7 under IC 6-1.1-26.
- 8 (f) If property taxes are not paid on or before the due date, the  
 9 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
 10 taxes.
- 11 (g) Notwithstanding any other law, a property tax liability of less  
 12 than five dollars (\$5) is increased to five dollars (\$5). The difference  
 13 between the actual liability and the five dollar (\$5) amount that appears  
 14 on the statement is a statement processing charge. The statement  
 15 processing charge is considered a part of the tax liability.
- 16 SECTION 112. IC 6-1.1-22.5-8, AS ADDED BY P.L.1-2004,  
 17 SECTION 37, AND AS ADDED BY P.L.23-2004, SECTION 40, AND  
 18 AMENDED BY P.L.219-2007, SECTION 65, IS CORRECTED AND  
 19 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:  
 20 Sec. 8. A provisional statement must:
- 21 (1) be on a form **approved by the state board of accounts;**  
 22 **prescribed by the department of local government finance;**  
 23 (2) except as provided in emergency rules adopted under section  
 24 20 of this chapter:  
 25 (A) indicate tax liability in the amount of ~~ninety percent (90%)~~  
 26 **not more than one hundred percent (100%)** of the tax  
 27 liability that was payable in the same year as the assessment  
 28 date for the property for which the provisional statement is  
 29 issued; **and**  
 30 (B) **include any adjustments to the tax liability as**  
 31 **prescribed by the department of local government finance;**  
 32 (3) indicate:  
 33 (A) that the tax liability under the provisional statement is  
 34 determined as described in subdivision (2); and  
 35 (B) that property taxes billed on the provisional statement:  
 36 (i) are due and payable in the same manner as property taxes  
 37 billed on a tax statement under ~~IC 6-1.1-22-8;~~  
 38 **IC 6-1.1-22-8.1;** and



- 1 (ii) will be credited against a reconciling statement;
- 2 (4) include ~~the following~~ a statement in the following or a
- 3 substantially similar form, as determined by the department of
- 4 local government finance:
- 5 "Under Indiana law, \_\_\_\_\_ County (insert county) has elected
- 6 to send provisional statements because the county did not
- 7 complete the abstract of the property, assessments, taxes,
- 8 deductions, and exemptions for taxes payable in (insert year) in
- 9 each taxing district before March 16, (insert year). The statement
- 10 is due to be paid in installments on ~~May 10~~ \_\_\_\_\_ (insert
- 11 date) and \_\_\_\_\_ ~~November 10~~ (insert date). The statement
- 12 is based on ~~ninety~~ \_\_\_\_\_ percent (~~90%~~) (\_\_\_\_%) (insert percent)
- 13 of your tax liability for taxes payable in (insert year), subject to
- 14 **any adjustment to the tax liability as prescribed by the**
- 15 **department of local government finance and adjustment** for
- 16 any new construction on your property *or any damage to your*
- 17 *property*. After the abstract of property is complete, you will
- 18 receive a reconciling statement in the amount of your actual tax
- 19 liability for taxes payable in (insert year), minus the amount you
- 20 pay under this provisional statement.";
- 21 (5) indicate liability for:
- 22 (A) delinquent:
- 23 (i) taxes; and
- 24 (ii) special assessments;
- 25 (B) penalties; and
- 26 (C) interest;
- 27 is allowed to appear on the tax statement under ~~IC 6-1.1-22-8;~~
- 28 **IC 6-1.1-22-8.1** for the ~~May~~ first installment of property taxes in
- 29 the year in which the provisional tax statement is issued; and
- 30 (6) include any other information the county treasurer requires.
- 31 SECTION 113. IC 6-1.1-22.5-9, AS AMENDED BY P.L.219-2007,
- 32 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 33 JULY 1, 2009]: Sec. 9. (a) Except as provided in subsection (b),
- 34 subsection (c), and section 12 of this chapter, property taxes billed on
- 35 a provisional statement are due in two (2) equal installments ~~on May~~
- 36 ~~10 and November 10 of in~~ the year following the assessment date
- 37 covered by the provisional statement.
- 38 (b) ~~If in a county the notices of general reassessment under~~



~~IC 6-1.1-4-4~~ or notices of assessment under ~~IC 6-1.1-4-4.5~~ for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year; the property taxes that would otherwise be due under subsection (a) on ~~May 10~~ of the immediately succeeding calendar year are **The first installment is** due on the later of:

(1) May 10 of the ~~immediately succeeding calendar year~~ **following the year of the assessment date covered by the provisional statement;** or

(2) ~~forty-five (45)~~ **thirty (30)** days after the mailing or transmittal of provisional statements.

(c) ~~If subsection (b) applies, the property taxes that would otherwise be due under subsection (a) on November 10 of the immediately succeeding calendar year referred to in subsection (b) are~~ **The second installment is** due on the later of:

(1) November 10 of the ~~immediately succeeding calendar year~~ **following the year of the assessment date covered by the provisional statement;** or

(2) a date determined by the county treasurer that is not later than December 31 of the ~~immediately succeeding calendar year~~ **following the year of the assessment date covered by the provisional statement.**

SECTION 114. IC 6-1.1-22.5-12, AS AMENDED BY P.L.146-2008, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided by subsection (c), each reconciling statement **must be on a form prescribed by the department of local government finance and** must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) thirty (30) days after the date of the reconciling



- 1 statement;
- 2 (ii) if the county treasurer requests in writing that the
- 3 commissioner designate a later date, the date designated by
- 4 the commissioner; or
- 5 (iii) the date specified in an ordinance adopted under section
- 6 18.5 of this chapter; and
- 7 (4) if the amount under subdivision (2) exceeds the amount under
- 8 subdivision (1), that the taxpayer may claim a refund of the excess
- 9 under IC 6-1.1-26.
- 10 (b) If, upon receipt of the abstract referred to in section 6 of this
- 11 chapter, the county treasurer determines that it is possible to complete
- 12 the:
- 13 (1) preparation; and
- 14 (2) mailing or transmittal;
- 15 of the reconciling statement at least thirty (30) days before the due date
- 16 of the second installment specified in the provisional statement, the
- 17 county treasurer may request in writing that the department of local
- 18 government finance permit the county treasurer to issue a reconciling
- 19 statement that adjusts the amount of the second installment that was
- 20 specified in the provisional statement. If the department approves the
- 21 county treasurer's request, the county treasurer shall prepare and mail
- 22 or transmit the reconciling statement at least thirty (30) days before the
- 23 due date of the second installment specified in the provisional
- 24 statement.
- 25 (c) A reconciling statement prepared under subsection (b) **must be**
- 26 **on a form prescribed by the department of local government**
- 27 **finance and** must indicate:
- 28 (1) the actual property tax liability under this article on the
- 29 assessment determined for the assessment date for the property
- 30 for which the reconciling statement is issued;
- 31 (2) the total amount of the first installment paid under the
- 32 provisional statement for the property for which the reconciling
- 33 statement is issued;
- 34 (3) if the amount under subdivision (1) exceeds the amount under
- 35 subdivision (2), the adjusted amount of the second installment
- 36 that is payable by the taxpayer:
- 37 (A) as a final reconciliation of the tax liability; and
- 38 (B) not later than:



- 1 (i) November 10; or
- 2 (ii) if the county treasurer requests in writing that the
- 3 commissioner designate a later date, the date designated by
- 4 the commissioner; and
- 5 (4) if the amount under subdivision (2) exceeds the amount under
- 6 subdivision (1), that the taxpayer may claim a refund of the excess
- 7 under IC 6-1.1-26.

8 SECTION 115. IC 6-1.1-27-9 IS ADDED TO THE INDIANA  
 9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 10 [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) This section applies if:**

11 **(1) a school corporation did not receive a property tax**  
 12 **distribution that was at least the amount of the school**  
 13 **corporation's actual general fund property tax levy for a**  
 14 **particular year because of property taxes not being paid when**  
 15 **due, as determined by the department of local government**  
 16 **finance; and**

17 **(2) delinquent property taxes are paid that are attributable to**  
 18 **a year referred to in subdivision (1).**

19 **(b) The county auditor shall distribute to a school corporation**  
 20 **the school corporation's proportionate share of any delinquent**  
 21 **property taxes paid that are attributable to a year referred to in**  
 22 **subsection (a) in the amount that would have been distributed to**  
 23 **the school corporation with respect to the school corporation's**  
 24 **general fund. The school corporation shall deposit the distribution**  
 25 **in the school corporation's general fund.**

26 **(c) This section expires January 1, 2015.**

27 SECTION 116. IC 6-1.1-28-1, AS AMENDED BY P.L.219-2007,  
 28 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2009]: Sec. 1. (a) Each county shall have a county property  
 30 tax assessment board of appeals composed of individuals who are at  
 31 least eighteen (18) years of age and knowledgeable in the valuation of  
 32 property. In addition to the county assessor, only one (1) other  
 33 individual who is an officer or employee of a county or township may  
 34 serve on the board of appeals in the county in which the individual is  
 35 an officer or employee. Subject to subsections (d) and (e), the fiscal  
 36 body of the county shall appoint two (2) individuals to the board. At  
 37 least one (1) of the members appointed by the county fiscal body must  
 38 be a certified level two or level three assessor-appraiser. Subject to



subsections (d) and (e), the board of commissioners of the county shall appoint ~~two (2)~~ **three (3)** freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two or level three assessor-appraiser. ~~If the county assessor is a certified level two or level three assessor-appraiser,~~ The board of county commissioners may waive the requirement in this subsection that one (1) of the freehold members appointed by the board of county commissioners must be a certified level two or level three assessor-appraiser. A person appointed to a property tax assessment board of appeals may serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a ~~voting~~ **nonvoting** member of the property tax assessment board of appeals. The county assessor shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board that includes at least one (1) certified level two or level three assessor-appraiser constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

(b) The county assessor, county fiscal body, and board of county commissioners may agree to waive the requirement in subsection (a) that not more than three (3) of the five (5) members of the county property tax assessment board of appeals may be of the same political party if it is necessary to waive the requirement due to the absence of certified level two or level three Indiana assessor-appraisers:

- (1) who are willing to serve on the board; and
- (2) whose political party membership status would satisfy the requirement in subsection ~~(c)(1)~~: **(a)**.

(c) If the board of county commissioners is not able to identify at least two (2) prospective freehold members of the county property tax assessment board of appeals who are:

- (1) residents of the county;
  - (2) certified level two or level three Indiana assessor-appraisers;
- and



1 (3) willing to serve on the county property tax assessment board  
2 of appeals;

3 it is not necessary that at least three (3) of the five (5) members of the  
4 county property tax assessment board of appeals be residents of the  
5 county.

6 (d) Except as provided in subsection (e), the term of a member of  
7 the county property tax assessment board of appeals appointed under  
8 subsection (a):

9 (1) is one (1) year; and

10 (2) begins January 1.

11 (e) If:

12 (1) the term of a member of the county property tax assessment  
13 board of appeals appointed under subsection (a) expires;

14 (2) the member is not reappointed; and

15 (3) a successor is not appointed;

16 the term of the member continues until a successor is appointed.

17 SECTION 117. IC 6-1.1-28-8 IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. (a) The county  
19 property tax assessment board shall remain in session until the board's  
20 duties are complete.

21 (b) All expenses and per diem compensation resulting from a  
22 session of a county property tax assessment board that is called by the  
23 department of local government finance under subsection (c) shall be  
24 paid by the county auditor, who shall, without an appropriation being  
25 required, draw warrants on county funds not otherwise appropriated.

26 (c) The department of local government finance may also call a  
27 session of the county property tax assessment board after completion  
28 of a ~~general~~ reassessment of real property **under a county's**  
29 **reassessment plan**. The department of local government finance shall  
30 fix the time for and duration of the session.

31 SECTION 118. IC 6-1.1-29-1, AS AMENDED BY P.L.224-2007,  
32 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 DECEMBER 30, 2008 (RETROACTIVE)]: Sec. 1. ~~(a)~~ Except as  
34 provided in section 9 of this chapter, each county shall have a county  
35 board of tax adjustment composed of seven (7) members. The members  
36 of the county board of tax adjustment shall be selected as follows:

37 (1) The county fiscal body shall appoint a member of the body to  
38 serve as a member of the county board of tax adjustment.



(2) Either the executive of the largest city in the county or a public official of any city in the county appointed by that executive shall serve as a member of the board. However, if there is no incorporated city in the county, the fiscal body of the largest incorporated town of the county shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(3) The governing body of the school corporation, located entirely or partially within the county, which has the greatest taxable valuation of any school corporation of the county shall appoint a member of the governing body to serve as a member of the county board of tax adjustment.

(4) The remaining four (4) members of the county board of tax adjustment must be residents of the county and freeholders and shall be appointed by the board of commissioners of the county.

~~(b) This section expires December 31, 2008.~~

SECTION 119. IC 6-1.1-31-7, AS AMENDED BY P.L.214-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the department of local government finance shall provide for the classification of personal property on the basis of:

- (1) date of purchase;
- (2) location;
- (3) use;
- (4) depreciation, obsolescence, and condition; and
- (5) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the department of local government finance shall include instructions for determining:

- (1) the proper classification of personal property;
- (2) the effect that location has on the value of personal property;
- (3) the cost of reproducing personal property;
- (4) the depreciation, including physical deterioration and obsolescence, of personal property;
- (5) the productivity or earning capacity of mobile homes regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;



(6) the true tax value of mobile homes assessed under IC 6-1.1-7 (other than mobile homes subject to the ~~preferred~~ valuation method under ~~IC 6-1.1-4-39(b)~~ **IC 6-1.1-4-39**) as the least of the values determined using the following:

(A) The National Automobile Dealers Association Guide.

(B) The purchase price of a mobile home if:

(i) the sale is of a commercial enterprise nature; and

(ii) the buyer and seller are not related by blood or marriage.

(C) Sales data for generally comparable mobile homes;

(7) the true tax value at the time of acquisition of computer application software, for the purpose of deducting the value of computer application software from the acquisition cost of tangible personal property whenever the value of the tangible personal property that is recorded on the taxpayer's books and records reflects the value of the computer application software; and

(8) the true tax value of personal property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the department of local government finance shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) With respect to the assessment of personal property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under rules of the department of local government finance.

SECTION 120. IC 6-1.1-31-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. (a) Except as provided in subsection (b), the department of local government finance may not adopt rules for the appraisal of real property in a ~~general~~ reassessment **under a county's reassessment plan** after July 1 of the year before the year in which the ~~general~~ **cycle of reassessment under a county's reassessment plan** is scheduled to begin.

(b) If rules for the appraisal of real property in a ~~general~~ reassessment **under a county's reassessment plan** are timely adopted under subsection (a) and are then disapproved by the attorney general



for any reason under IC 4-22-2-32, the department of local government finance may modify the rules to cure the defect that resulted in disapproval by the attorney general, and may then take all actions necessary under IC 4-22-2 to readopt and to obtain approval of the rules. This process may be repeated as necessary until the rules are approved.

SECTION 121. IC 6-1.1-31.5-2, AS AMENDED BY P.L.146-2008, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Subject to section 3.5 of this chapter, the department shall adopt rules under IC 4-22-2 to prescribe computer specification standards and for the certification of:

- (1) computer software;
- (2) software providers;
- (3) computer service providers; and
- (4) computer equipment providers.

(b) The rules of the department shall provide for:

- (1) the effective and efficient administration of assessment laws;
- (2) the prompt updating of assessment data;
- (3) the administration of information contained in the sales disclosure form, as required under IC 6-1.1-5.5; and
- (4) other information necessary to carry out the administration of the property tax assessment laws.

(c) After June 30, 2008, subject to section 3.5 of this chapter, a county:

- (1) may contract only for computer software and with software providers, computer service providers, and equipment providers that are certified by the department under the rules described in subsection (a); and
- (2) may enter into a contract referred to in subdivision (1) **and any addendum to the contract** only if the department is a party to the contract **and the addendum.**

SECTION 122. IC 6-1.1-33.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. The division of data analysis shall:

- (1) conduct continuing studies in the areas in which the department of local government finance operates;
- (2) make periodic field surveys and audits of:
  - (A) tax rolls;



- 1 (B) plat books;
- 2 (C) building permits;
- 3 (D) real estate transfers; and
- 4 (E) other data that may be useful in checking property
- 5 valuations or taxpayer returns;
- 6 (3) make test checks of property valuations to serve as the bases
- 7 for special reassessments under this article;
- 8 (4) conduct biennially a coefficient of dispersion study for each
- 9 township and county in Indiana;
- 10 (5) conduct quadrennially a sales assessment ratio study for each
- 11 township and county in Indiana;
- 12 ~~(6) compute school assessment ratios under IC 6-1.1-34; and~~
- 13 ~~(7)~~ **(6)** report annually to the executive director of the legislative
- 14 services agency, in an electronic format under IC 5-14-6, the
- 15 information obtained or determined under this section for use by
- 16 the executive director and the general assembly, including:
  - 17 (A) all information obtained by the division of data analysis
  - 18 from units of local government; and
  - 19 (B) all information included in:
    - 20 (i) the local government data base; and
    - 21 (ii) any other data compiled by the division of data analysis.
- 22 SECTION 123. IC 6-1.1-33.5-6 IS AMENDED TO READ AS
- 23 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. (a) With
- 24 respect to any township or county for any year, the department of local
- 25 government finance may initiate a review to determine whether to order
- 26 a special reassessment under this chapter. The review may apply to real
- 27 property or personal property, or both.
- 28 (b) If the department of local government finance determines under
- 29 subsection (a) ~~of this chapter~~ to initiate a review with respect to the real
- 30 property within a ~~township or county~~, **particular cycle under a**
- 31 **county's reassessment plan** or a portion of the real property within a
- 32 ~~township or county~~, **cycle**, the division of data analysis of the
- 33 department shall determine for the real property under consideration
- 34 and for ~~the township or county~~ **all groups of parcels within a**
- 35 **particular cycle**, the variance between:
  - 36 (1) the total assessed valuation of the real property within ~~the~~
  - 37 ~~township or county~~, **all groups of parcels within a particular**
  - 38 **cycle**; and



(2) the total assessed valuation that would result if the real property within ~~the township or county~~ **all groups of parcels within a particular cycle** were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) ~~of this chapter~~ to initiate a review with respect to personal property within a township or county, or a part of the personal property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the personal property within the township or county; and

(2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the coefficient of dispersion study for the township or county in accordance with IC 5-3-1-2(j).

(f) If:

(1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and

(2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

(1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or

(2) IC 6-1.1-14.

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of



the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

- (1) the time of the hearing;
- (2) the location of the hearing; and
- (3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

- (1) cause the assessment of the property to be adjusted;
- (2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and
- (3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county reassessment fund.

SECTION 124. IC 6-1.1-34-1, AS AMENDED BY P.L.246-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. ~~Each~~ **In the year in which after a general assessment of real property becomes effective, reassessment cycle of real property under a county's reassessment plan is completed,** the department of local government finance shall compute a new assessment ratio for each school corporation ~~and a new state average assessment ratio.~~ **located in a county in which a supplemental county levy is imposed under IC 20-45-7 or IC 20-45-8.** In all other years, the department shall compute a new assessment ratio for **such** a school corporation ~~and a new state average assessment ratio~~ if the department finds that there has been sufficient reassessment or



adjustment of one (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 125. IC 6-1.1-34-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The department of local government finance shall notify the school corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year ~~in~~ **after** which a ~~general reassessment takes effect: cycle under a county's reassessment plan is completed.~~ If the department of local government finance has not computed

~~(1) a new assessment ratio for a school corporation, or~~

~~(2) a new state average assessment ratio;~~

the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.

SECTION 126. IC 6-1.1-35-9, AS AMENDED BY P.L.146-2008, SECTION 279, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) All information that is related to earnings, income, profits, losses, or expenditures and that is:

(1) given by a person to:

(A) an assessing official;

(B) an employee of an assessing official; or

(C) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under

IC 6-1.1-36-12; or



1 (2) acquired by:

2 (A) an assessing official;

3 (B) an employee of an assessing official; or

4 (C) an officer or employee of an entity that contracts with a  
5 board of county commissioners or a county assessor under  
6 IC 6-1.1-36-12;

7 in the performance of the person's duties;

8 is confidential. The assessed valuation of tangible property is a matter  
9 of public record and is thus not confidential. Confidential information  
10 may be disclosed only in a manner that is authorized under subsection  
11 (b), (c), or (d).

12 (b) Confidential information may be disclosed to:

13 (1) an official or employee of:

14 (A) this state or another state;

15 (B) the United States; or

16 (C) an agency or subdivision of this state, another state, or the  
17 United States;

18 if the information is required in the performance of the official  
19 duties of the official or employee; ~~or~~

20 (2) an officer or employee of an entity that contracts with a board  
21 of county commissioners or a county assessor under  
22 IC 6-1.1-36-12 if the information is required in the performance  
23 of the official duties of the officer or employee; **or**

24 **(3) a state educational institution in order to develop data**  
25 **required under IC 6-1.1-4-42.**

26 (c) The following state agencies, or their authorized representatives,  
27 shall have access to the confidential farm property records and  
28 schedules that are on file in the office of a county assessor:

29 (1) The Indiana state board of animal health, in order to perform  
30 its duties concerning the discovery and eradication of farm animal  
31 diseases.

32 (2) The department of agricultural statistics of Purdue University,  
33 in order to perform its duties concerning the compilation and  
34 dissemination of agricultural statistics.

35 (3) Any other state agency that needs the information in order to  
36 perform its duties.

37 (d) Confidential information may be disclosed during the course of  
38 a judicial proceeding in which the regularity of an assessment is



1 questioned.

2 (e) Confidential information that is disclosed to a person under  
3 subsection (b) or (c) retains its confidential status. Thus, that person  
4 may disclose the information only in a manner that is authorized under  
5 subsection (b), (c), or (d).

6 (f) Notwithstanding any other provision of law:

7 (1) a person who:

8 (A) is an officer or employee of an entity that contracts with a  
9 board of county commissioners or a county assessor under  
10 IC 6-1.1-36-12; and

11 (B) obtains confidential information under this section;  
12 may not disclose that confidential information to any other  
13 person; and

14 (2) a person referred to in subdivision (1) must return all  
15 confidential information to the taxpayer not later than fourteen  
16 (14) days after the earlier of:

17 (A) the completion of the examination of the taxpayer's  
18 personal property return under IC 6-1.1-36-12; or

19 (B) the termination of the contract.

20 SECTION 127. IC 6-1.1-37-1 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. An officer of state or  
22 local government who recklessly violates or fails to perform a duty  
23 imposed on ~~him~~ **the officer** under:

24 (1) IC 6-1.1-10-1(b);

25 (2) IC 6-1.1-12-6;

26 (3) IC 6-1.1-12-7;

27 ~~(4) IC 6-1.1-12-8;~~

28 ~~(5)~~ **(4)** IC 6-1.1-17-1;

29 ~~(6)~~ **(5)** IC 6-1.1-17-3(a);

30 ~~(7)~~ **(6)** IC 6-1.1-17-5(d)(1);

31 ~~(8)~~ **(7)** IC 6-1.1-18-1;

32 ~~(9)~~ **(8)** IC 6-1.1-18-5;

33 ~~(10)~~ **(9)** IC 6-1.1-18-6;

34 ~~(11)~~ **(10)** IC 6-1.1-20-5;

35 ~~(12)~~ **(11)** IC 6-1.1-20-6;

36 ~~(13)~~ **(12)** IC 6-1.1-20-7;

37 ~~(14)~~ **(13)** IC 6-1.1-30-14; or

38 ~~(15)~~ **(14)** IC 6-1.1-36-13;



1 commits a Class A misdemeanor. In addition, the officer is liable for  
 2 the damages sustained by a person as a result of the officer's violation  
 3 of the provision or the officer's failure to perform the duty.

4 SECTION 128. IC 6-1.1-37-6 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. A person who  
 6 **recklessly, knowingly, or intentionally:**

7 (1) disobeys a subpoena, or a subpoena duces tecum, issued under  
 8 the general assessment provisions of this article;

9 (2) refuses to give evidence when directed to do so by an  
 10 individual or board authorized under the general assessment  
 11 provisions of this article to require the evidence;

12 (3) fails to file a personal property return required under  
 13 IC 6-1.1-3;

14 (4) fails to subscribe to an oath or certificate required under the  
 15 general assessment provisions of this article; ~~or~~

16 (5) temporarily converts property which is taxable under this  
 17 article into property not taxable to evade the payment of taxes on  
 18 the converted property; **or**

19 **(6) fails to file an information return required by the**  
 20 **department of local government finance under IC 6-1.1-4-42;**

21 commits a Class A misdemeanor.

22 SECTION 129. IC 6-1.1-37-14 IS ADDED TO THE INDIANA  
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 24 [EFFECTIVE JULY 1, 2009]: **Sec. 14. (a) The penalties prescribed**  
 25 **under this section do not apply to an individual or the individual's**  
 26 **dependents if the individual:**

27 **(1) is in the military or naval forces of the United States on the**  
 28 **assessment date; and**

29 **(2) is covered by the federal Servicemembers Civil Relief Act.**

30 **(b) If a person fails to file a substantially complete information**  
 31 **return required by the department of local government finance**  
 32 **under IC 6-1.1-4-42:**

33 **(1) on or before the due date for the return, the person is**  
 34 **subject to a penalty of twenty-five dollars (\$25); or**

35 **(2) not later than thirty (30) days after the due date, the**  
 36 **person is subject to an additional penalty equal to twenty**  
 37 **percent (20%) of the taxes finally determined with respect to**  
 38 **the property that is the subject of the information return for**



1           **the assessment date for the property immediately preceding**  
 2           **the date that the information is due.**

3           **(c) The department of local government finance shall certify a**  
 4           **penalty imposed under subsection (b) to the county auditor where**  
 5           **the property that is the subject of the return is located. Upon notice**  
 6           **from the department of local government finance, the county**  
 7           **auditor shall add the penalty to the property tax installment next**  
 8           **due for the property that is the subject of the information return.**  
 9           **A penalty is due with an installment under this section whether an**  
 10           **appeal is filed under IC 6-1.1-15-5 with respect to the tax due on**  
 11           **that installment.**

12           SECTION 130. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,  
 13           SECTION 296, IS AMENDED TO READ AS FOLLOWS  
 14           [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) A declaratory ordinance  
 15           adopted under section 2 of this chapter and confirmed under section 3  
 16           of this chapter must include a provision with respect to the allocation  
 17           and distribution of property taxes for the purposes and in the manner  
 18           provided in this section. The allocation provision must apply to the  
 19           entire economic development district. The allocation provisions must  
 20           require that any property taxes subsequently levied by or for the benefit  
 21           of any public body entitled to a distribution of property taxes on taxable  
 22           property in the economic development district be allocated and  
 23           distributed as follows:

24           (1) Except as otherwise provided in this section, the proceeds of  
 25           the taxes attributable to the lesser of:

26           (A) the assessed value of the property for the assessment date  
 27           with respect to which the allocation and distribution is made;

28           or

29           (B) the base assessed value;

30           shall be allocated to and, when collected, paid into the funds of  
 31           the respective taxing units. However, if the effective date of the  
 32           allocation provision of a declaratory ordinance is after March 1,  
 33           1985, and before January 1, 1986, and if an improvement to  
 34           property was partially completed on March 1, 1985, the unit may  
 35           provide in the declaratory ordinance that the taxes attributable to  
 36           the assessed value of the property as finally determined for March  
 37           1, 1984, shall be allocated to and, when collected, paid into the  
 38           funds of the respective taxing units.



1 (2) Except as otherwise provided in this section, part or all of the  
 2 property tax proceeds in excess of those described in subdivision  
 3 (1), as specified in the declaratory ordinance, shall be allocated to  
 4 the unit for the economic development district and, when  
 5 collected, paid into a special fund established by the unit for that  
 6 economic development district that may be used only to pay the  
 7 principal of and interest on obligations owed by the unit under  
 8 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of  
 9 industrial development programs in, or serving, that economic  
 10 development district. The amount not paid into the special fund  
 11 shall be paid to the respective units in the manner prescribed by  
 12 subdivision (1).

13 (3) When the money in the fund is sufficient to pay all  
 14 outstanding principal of and interest (to the earliest date on which  
 15 the obligations can be redeemed) on obligations owed by the unit  
 16 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing  
 17 of industrial development programs in, or serving, that economic  
 18 development district, money in the special fund in excess of that  
 19 amount shall be paid to the respective taxing units in the manner  
 20 prescribed by subdivision (1).

21 (b) Property tax proceeds allocable to the economic development  
 22 district under subsection (a)(2) must, subject to subsection (a)(3), be  
 23 irrevocably pledged by the unit for payment as set forth in subsection  
 24 (a)(2).

25 (c) For the purpose of allocating taxes levied by or for any taxing  
 26 unit or units, the assessed value of taxable property in a territory in the  
 27 economic development district that is annexed by any taxing unit after  
 28 the effective date of the allocation provision of the declaratory  
 29 ordinance is the lesser of:

- 30 (1) the assessed value of the property for the assessment date with
- 31 respect to which the allocation and distribution is made; or
- 32 (2) the base assessed value.

33 (d) Notwithstanding any other law, each assessor shall, upon  
 34 petition of the fiscal body, reassess the taxable property situated upon  
 35 or in, or added to, the economic development district effective on the  
 36 next assessment date after the petition.

37 (e) Notwithstanding any other law, the assessed value of all taxable  
 38 property in the economic development district, for purposes of tax



1 limitation, property tax replacement, and formulation of the budget, tax  
 2 rate, and tax levy for each political subdivision in which the property  
 3 is located, is the lesser of:

- 4 (1) the assessed value of the property as valued without regard to
- 5 this section; or
- 6 (2) the base assessed value.

7 (f) The state board of accounts and department of local government  
 8 finance shall make the rules and prescribe the forms and procedures  
 9 that they consider expedient for the implementation of this chapter.  
 10 After each ~~general~~ reassessment **of a group of parcels under a**  
 11 **county's reassessment plan** under IC 6-1.1-4, the department of local  
 12 government finance shall adjust the base assessed value one (1) time  
 13 to neutralize any effect of the ~~general~~ reassessment on the property tax  
 14 proceeds allocated to the district under this section. After each annual  
 15 adjustment under IC 6-1.1-4-4.5, the department of local government  
 16 finance shall adjust the base assessed value to neutralize any effect of  
 17 the annual adjustment on the property tax proceeds allocated to the  
 18 district under this section. However, the adjustments under this  
 19 subsection may not include the effect of property tax abatements under  
 20 IC 6-1.1-12.1.

21 (g) As used in this section, "property taxes" means:

- 22 (1) taxes imposed under this article on real property; and
- 23 (2) any part of the taxes imposed under this article on depreciable
- 24 personal property that the unit has by ordinance allocated to the
- 25 economic development district. However, the ordinance may not
- 26 limit the allocation to taxes on depreciable personal property with
- 27 any particular useful life or lives.

28 If a unit had, by ordinance adopted before May 8, 1987, allocated to an  
 29 economic development district property taxes imposed under IC 6-1.1  
 30 on depreciable personal property that has a useful life in excess of eight  
 31 (8) years, the ordinance continues in effect until an ordinance is  
 32 adopted by the unit under subdivision (2).

33 (h) As used in this section, "base assessed value" means:

- 34 (1) the net assessed value of all the property as finally determined
- 35 for the assessment date immediately preceding the effective date
- 36 of the allocation provision of the declaratory resolution, as
- 37 adjusted under subsection (f); plus
- 38 (2) to the extent that it is not included in subdivision (1), the net



assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 131. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28. (a) Subject to this section and section 34 of this chapter, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by

(2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%



1	5th	50%
2	6th	40%
3	7th	30%
4	8th	20%
5	9th	10%
6	10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of ~~the~~ real property **under a county's reassessment plan** occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

(A) has an ownership interest in an entity that contributed; or

(B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

SECTION 132. IC 6-2.5-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. Transactions involving tangible personal property are exempt from the state gross retail tax, if:

(1) the property is:

(A) classified as central office equipment, station equipment or apparatus, station connection, wiring, or large private branch exchanges according to the uniform system of accounts



1 which was adopted and prescribed for the utility by the Indiana  
2 utility regulatory commission; or

3 (B) mobile telecommunications switching office equipment,  
4 radio or microwave transmitting or receiving equipment,  
5 including, without limitation, towers, antennae, and property  
6 that perform a function similar to the function performed by  
7 any of the property described in clause (A); and

8 (2) the person acquiring the property:

9 (A) furnishes or sells intrastate telecommunication service in  
10 a retail transaction described in IC 6-2.5-4-6; or

11 (B) furnishes cable television or radio service or satellite  
12 television or radio service and uses the property to provide  
13 telecommunications services.

14 SECTION 133. IC 6-2.5-5-18 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) Sales of durable  
16 medical equipment, prosthetic devices, artificial limbs, orthopedic  
17 devices, dental prosthetic devices, eyeglasses, contact lenses, and other  
18 medical supplies and devices are exempt from the state gross retail tax,  
19 if the sales are prescribed by a person licensed to issue the prescription.

20 (b) Rentals of durable medical equipment and other medical  
21 supplies and devices are exempt from the state gross retail tax, if the  
22 rentals are prescribed by a person licensed to issue the prescription.

23 (c) Sales of hearing aids are exempt from the state gross retail tax  
24 if the hearing aids are fitted or dispensed by a person licensed or  
25 registered for that purpose. In addition, sales of hearing aid parts,  
26 attachments, or accessories are exempt from the state gross retail tax.  
27 For purposes of this subsection, a hearing aid is a device which is worn  
28 on the body and which is designed to aid, improve, or correct defective  
29 human hearing.

30 (d) Sales of colostomy bags, ileostomy bags, and the medical  
31 equipment, supplies, and devices used in conjunction with those bags  
32 are exempt from the state gross retail tax.

33 (e) Sales of equipment and devices used to administer insulin are  
34 exempt from the state gross retail tax.

35 (f) Sales of equipment and devices used to monitor blood glucose  
36 level, including blood glucose meters and measuring strips, lancets,  
37 and other similar diabetic supplies, are exempt from the state gross  
38 retail tax, regardless of whether the equipment and devices are



1 **prescribed.**

2 SECTION 134. IC 6-2.5-5-19.5 IS AMENDED TO READ AS  
 3 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19.5. (a) For purposes  
 4 of this section, "drug sample" means a legend drug (as defined by  
 5 IC 16-18-2-199) or a drug composed wholly or partly of insulin or an  
 6 insulin analog that is furnished without charge. **For purposes of this**  
 7 **section, "blood glucose monitoring device" means blood glucose**  
 8 **meters and measuring strips, lancets, and other similar diabetic**  
 9 **supplies furnished without charge.**

10 (b) Transactions involving the following are exempt from the state  
 11 gross retail tax:

12 (1) A drug sample, ~~and~~ the packaging and literature for a drug  
 13 sample, **a blood glucose monitoring device, and the packaging**  
 14 **and literature for a blood glucose monitoring device.**

15 (2) Tangible personal property that will be used as a drug sample  
 16 **or a blood glucose monitoring device** or ~~that~~ will be processed,  
 17 manufactured, or incorporated into:

18 (A) a drug sample **or a blood glucose monitoring device;** or

19 (B) the packaging or literature for a drug sample **or a blood**  
 20 **glucose monitoring device.**

21 SECTION 135. IC 6-3-2-5.3 IS ADDED TO THE INDIANA CODE  
 22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 23 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 5.3. (a) This section**  
 24 **applies to taxable years beginning after December 31, 2008.**

25 (b) **As used in this section, "solar powered roof vent or fan"**  
 26 **means a roof vent or fan that is powered by solar energy and used**  
 27 **to release heat from a building.**

28 (c) **A resident individual taxpayer is entitled to a deduction from**  
 29 **the taxpayer's adjusted gross income for a particular taxable year**  
 30 **if, during that taxable year, the taxpayer installs a solar powered**  
 31 **roof vent or fan on a building owned or leased by the taxpayer.**

32 (d) **The amount of the deduction to which a taxpayer is entitled**  
 33 **in a particular taxable year is the lesser of:**

34 (1) **one-half (1/2) of the amount the taxpayer pays for labor**  
 35 **and materials for the installation of a solar powered roof vent**  
 36 **or fan that is installed during the taxable year; or**

37 (2) **one thousand dollars (\$1,000).**

38 (e) **To obtain the deduction provided by this section, a taxpayer**



1       **must file with the department proof of the taxpayer's costs for the**  
 2       **installation of a solar powered roof vent or fan and a list of the**  
 3       **persons or corporation that supplied labor or materials for the**  
 4       **installation of the solar powered roof vent or fan.**

5       SECTION 136. IC 6-3.1-4-2, AS AMENDED BY P.L.193-2005,  
 6       SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7       JANUARY 1, 2010]: Sec. 2. (a) A taxpayer who incurs Indiana  
 8       qualified research expense in a particular taxable year is entitled to a  
 9       research expense tax credit for the taxable year.

10       (b) For Indiana qualified research expense incurred before January  
 11       1, 2008, the amount of the research expense tax credit is equal to the  
 12       product of ten percent (10%) multiplied by the remainder of:

13               (1) the taxpayer's Indiana qualified research expenses for the  
 14               taxable year; minus

15               (2) the taxpayer's base amount.

16       (c) **Except as provided in subsection (d)**, for Indiana qualified  
 17       research expense incurred after December 31, 2007, the amount of the  
 18       research expense tax credit is determined under STEP FOUR of the  
 19       following formula:

20               STEP ONE: Subtract the taxpayer's base amount from the  
 21               taxpayer's Indiana qualified research expense for the taxable year.

22               STEP TWO: Multiply the lesser of:

23                       (A) one million dollars (\$1,000,000); or

24                       (B) the STEP ONE remainder;

25               by fifteen percent (15%).

26               STEP THREE: If the STEP ONE remainder exceeds one million  
 27               dollars (\$1,000,000), multiply the amount of that excess by ten  
 28               percent (10%).

29               STEP FOUR: Add the STEP TWO and STEP THREE products.

30       (d) **For Indiana qualified research expense incurred after**  
 31       **December 31, 2009, a taxpayer may choose to have the amount of**  
 32       **the research expense tax credit determined under this subsection**  
 33       **rather than under subsection (c). At the election of the taxpayer,**  
 34       **the amount of the taxpayer's research expense tax credit is equal**  
 35       **to ten percent (10%) of the part of the taxpayer's Indiana qualified**  
 36       **research expense for the taxable year that exceeds fifty percent**  
 37       **(50%) of the taxpayer's average Indiana qualified research**  
 38       **expense for the three (3) taxable years preceding the taxable year**



1     **for which the credit is being determined. However, if the taxpayer**  
 2     **did not have Indiana qualified research expense in any one (1) of**  
 3     **the three (3) taxable years preceding the taxable year for which the**  
 4     **credit is being determined, the amount of the research expense tax**  
 5     **credit is equal to five percent (5%) of the taxpayer's Indiana**  
 6     **qualified research expense for the taxable year.**

7     SECTION 137. IC 6-3.5-1.1-1.1, AS ADDED BY P.L.207-2005,  
 8     SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9     JULY 1, 2009]: Sec. 1.1. (a) For purposes of allocating the certified  
 10    distribution made to a county under this chapter among the civil taxing  
 11    units and school corporations in the county, the allocation amount for  
 12    a civil taxing unit or school corporation is the amount determined using  
 13    the following formula:

14       STEP ONE: Determine the sum of the total property taxes being  
 15       collected by the civil taxing unit or school corporation during the  
 16       calendar year of the distribution.

17       STEP TWO: Determine the sum of the following:

18           (A) Amounts appropriated from property taxes to pay the  
 19           principal of or interest on any debenture or other debt  
 20           obligation issued after June 30, 2005, other than an obligation  
 21           described in subsection (b).

22           (B) Amounts appropriated from property taxes to make  
 23           payments on any lease entered into after June 30, 2005, other  
 24           than a lease described in subsection (c).

25           (C) The proceeds of any property that are:

26               (i) received as the result of the issuance of a debt obligation  
 27               described in clause (A) or a lease described in clause (B);  
 28               and

29               (ii) appropriated from property taxes for any purpose other  
 30               than to refund or otherwise refinance a debt obligation or  
 31               lease described in subsection (b) or (c).

32       STEP THREE: Subtract the STEP TWO amount from the STEP  
 33       ONE amount.

34       STEP FOUR: Determine the sum of:

35           (A) the STEP THREE amount; plus

36           (B) the civil taxing unit's or school corporation's certified  
 37           distribution for the previous calendar year.

38     **The allocation amount is subject to adjustment as provided in**



1     **IC 36-8-19-7.5.**

2           (b) Except as provided in this subsection, an appropriation from  
3     property taxes to repay interest and principal of a debt obligation is not  
4     deducted from the allocation amount for a civil taxing unit or school  
5     corporation if:

6           (1) the debt obligation was issued; and

7           (2) the proceeds appropriated from property taxes;  
8     to refund or otherwise refinance a debt obligation or a lease issued  
9     before July 1, 2005. However, an appropriation from property taxes  
10    related to a debt obligation issued after June 30, 2005, is deducted if  
11    the debt extends payments on a debt or lease beyond the time in which  
12    the debt or lease would have been payable if the debt or lease had not  
13    been refinanced or increases the total amount that must be paid on a  
14    debt or lease in excess of the amount that would have been paid if the  
15    debt or lease had not been refinanced. The amount of the deduction is  
16    the annual amount for each year of the extension period or the annual  
17    amount of the increase over the amount that would have been paid.

18          (c) Except as provided in this subsection, an appropriation from  
19    property taxes to make payments on a lease is not deducted from the  
20    allocation amount for a civil taxing unit or school corporation if:

21          (1) the lease was issued; and

22          (2) the proceeds were appropriated from property taxes;  
23    to refinance a debt obligation or lease issued before July 1, 2005.  
24    However, an appropriation from property taxes related to a lease  
25    entered into after June 30, 2005, is deducted if the lease extends  
26    payments on a debt or lease beyond the time in which the debt or lease  
27    would have been payable if the debt or lease had not been refinanced  
28    or increases the total amount that must be paid on a debt or lease in  
29    excess of the amount that would have been paid if the debt or lease had  
30    not been refinanced. The amount of the deduction is the annual amount  
31    for each year of the extension period or the annual amount of the  
32    increase over the amount that would have been paid.

33          SECTION 138. IC 6-3.5-1.1-14, AS AMENDED BY P.L.146-2008,  
34    SECTION 328, IS AMENDED TO READ AS FOLLOWS  
35    [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 14. (a) In  
36    determining the amount of property tax replacement credits civil taxing  
37    units and school corporations of a county are entitled to receive during  
38    a calendar year, the department of local government finance shall



1 consider only property taxes imposed on tangible property that was  
2 assessed in that county.

3 (b) If a civil taxing unit or a school corporation is located in more  
4 than one (1) county and receives property tax replacement credits from  
5 one (1) or more of the counties, then the property tax replacement  
6 credits received from each county shall be used only to reduce the  
7 property tax rates that are imposed within the county that distributed  
8 the property tax replacement credits.

9 (c) A civil taxing unit shall treat any property tax replacement  
10 credits that it receives or is to receive during a particular calendar year  
11 as a part of its property tax levy for that same calendar year for  
12 purposes of fixing its budget and for purposes of the property tax levy  
13 limits imposed by IC 6-1.1-18.5.

14 (d) Subject to subsection (e), if a civil taxing unit or school  
15 corporation of an adopting county does not impose a property tax levy  
16 that is first due and payable in a calendar year in which property tax  
17 replacement credits are being distributed, the civil taxing unit or school  
18 corporation is entitled to use the property tax replacement credits  
19 distributed to the civil taxing unit or school corporation for any purpose  
20 for which a property tax levy could be used.

21 (e) A school corporation shall treat any property tax replacement  
22 credits that the school corporation receives or is to receive during a  
23 particular calendar year as a part of its property tax levy for its debt  
24 service fund, capital projects fund, transportation fund, **and** school bus  
25 replacement fund ~~and special education preschool fund~~ in proportion  
26 to the levy for each of these funds for that same calendar year for  
27 purposes of fixing its budget. A school corporation shall allocate the  
28 property tax replacement credits described in this subsection to all ~~five~~  
29 ~~(5)~~ **four (4)** funds in proportion to the levy for each fund.

30 SECTION 139. IC 6-3.5-1.1-15, AS AMENDED BY P.L.146-2008,  
31 SECTION 329, IS AMENDED TO READ AS FOLLOWS  
32 [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) As used in this section,  
33 "attributed allocation amount" of a civil taxing unit for a calendar year  
34 means the sum of:

- 35 (1) the allocation amount of the civil taxing unit for that calendar
- 36 year; plus
- 37 (2) the current ad valorem property tax levy of any special taxing
- 38 district, authority, board, or other entity formed to discharge



1 governmental services or functions on behalf of or ordinarily  
 2 attributable to the civil taxing unit; plus

3 (3) in the case of a county, an amount equal to the welfare  
 4 allocation amount.

5 The welfare allocation amount is an amount equal to the sum of the  
 6 property taxes imposed by the county in 1999 for the county's welfare  
 7 fund and welfare administration fund and, if the county received a  
 8 certified distribution under this chapter or IC 6-3.5-6 in 2008, the  
 9 property taxes imposed by the county in 2008 for the county's county  
 10 medical assistance to wards fund, family and children's fund, children's  
 11 psychiatric residential treatment services fund, county hospital care for  
 12 the indigent fund and children with special health care needs county  
 13 fund.

14 (b) The part of a county's certified distribution that is to be used as  
 15 certified shares shall be allocated only among the county's civil taxing  
 16 units. Each civil taxing unit of a county is entitled to receive a certified  
 17 share during a calendar year in an amount determined in STEP TWO  
 18 of the following formula:

19 STEP ONE: Divide:

20 (A) the attributed allocation amount of the civil taxing unit  
 21 during that calendar year; by

22 (B) the sum of the attributed allocation amounts of all the civil  
 23 taxing units of the county during that calendar year.

24 STEP TWO: Multiply the part of the county's certified  
 25 distribution that is to be used as certified shares by the STEP  
 26 ONE amount.

27 (c) ~~The local government tax control board established by~~  
 28 ~~IC 6-1.1-18.5-11~~ **department of local government finance** shall  
 29 determine the attributed levies of civil taxing units that are entitled to  
 30 receive certified shares during a calendar year. If the ad valorem  
 31 property tax levy of any special taxing district, authority, board, or  
 32 other entity is attributed to another civil taxing unit under subsection  
 33 (a)(2), then the special taxing district, authority, board, or other entity  
 34 shall not be treated as having an attributed allocation amount of its  
 35 own. ~~The local government tax control board~~ **department of local**  
 36 **government finance** shall certify the attributed allocation amounts to  
 37 the appropriate county auditor. The county auditor shall then allocate  
 38 the certified shares among the civil taxing units of the auditor's county.



(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount.

SECTION 140. IC 6-3.5-1.1-26, AS AMENDED BY P.L.146-2008, SECTION 333, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to ~~political subdivisions~~ **taxpayers** in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.

(b) A tax rate under this section may be imposed in increments of five-hundredths of one percent (0.05%) determined by the county council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county council:

(1) Except as provided in subsection (j), the tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision



1 to provide local property tax replacement credits in that year. A  
 2 county council may not adopt an ordinance determining that tax  
 3 revenue shall be used under this subdivision to provide local  
 4 property tax replacement credits at a uniform rate to all taxpayers  
 5 in the county unless the county council has done the following:

6 (A) Made available to the public the county council's best  
 7 estimate of the amount of property tax replacement credits to  
 8 be provided under this subdivision to homesteads, other  
 9 residential property, commercial property, industrial property,  
 10 and agricultural property.

11 (B) Adopted a resolution or other statement acknowledging  
 12 that some taxpayers in the county that do not pay the tax rate  
 13 under this section will receive a property tax replacement  
 14 credit that is funded with tax revenue from the tax rate under  
 15 this section.

16 (2) The tax revenue may be used to uniformly increase (before  
 17 January 1, ~~2009~~ **2011**) or uniformly provide (after December 31,  
 18 ~~2008~~ **2010**) the homestead credit percentage in the county. The  
 19 homestead credits shall be treated for all purposes as property tax  
 20 levies. The homestead credits do not reduce the basis for  
 21 determining ~~the any~~ state homestead credit. ~~under IC 6-1.1-20.9~~  
 22 ~~(before its repeal)~~. The homestead credits shall be applied to the  
 23 net property taxes due on the homestead after the application of  
 24 all other assessed value deductions or property tax deductions and  
 25 credits that apply to the amount owed under IC 6-1.1. The  
 26 ~~department of local government finance~~ **county auditor** shall  
 27 determine the homestead credit percentage for a particular year  
 28 based on the amount of tax revenue that will be used under this  
 29 subdivision to provide homestead credits in that year.

30 (3) The tax revenue may be used to provide local property tax  
 31 replacement credits at a uniform rate for all qualified residential  
 32 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,  
 33 and as defined in section 1 of this chapter after December 31,  
 34 2008) in the county. The local property tax replacement credits  
 35 shall be treated for all purposes as property tax levies. The county  
 36 auditor shall determine the local property tax replacement credit  
 37 percentage for a particular year based on the amount of tax  
 38 revenue that will be used under this subdivision to provide local



1 property tax replacement credits in that year.

2 (4) This subdivision applies only to Lake County. The Lake  
3 County council may adopt an ordinance providing that the tax  
4 revenue from the tax rate under this section is used for any of the  
5 following:

6 (A) To reduce all property tax levies imposed by the county by  
7 the granting of property tax replacement credits against those  
8 property tax levies.

9 (B) To provide local property tax replacement credits in Lake  
10 County in the following manner:

11 (i) The tax revenue under this section that is collected from  
12 taxpayers within a particular municipality in Lake County  
13 (as determined by the department based on the department's  
14 best estimate) shall be used only to provide a local property  
15 tax credit against property taxes imposed by that  
16 municipality.

17 (ii) The tax revenue under this section that is collected from  
18 taxpayers within the unincorporated area of Lake County (as  
19 determined by the department) shall be used only to provide  
20 a local property tax credit against property taxes imposed by  
21 the county. The local property tax credit for the  
22 unincorporated area of Lake County shall be available only  
23 to those taxpayers within the unincorporated area of the  
24 county.

25 (C) To provide property tax credits in the following manner:

26 (i) Sixty percent (60%) of the tax revenue under this section  
27 shall be used as provided in clause (B).

28 (ii) Forty percent (40%) of the tax revenue under this section  
29 shall be used to provide property tax replacement credits  
30 against property tax levies of the county and each township  
31 and municipality in the county. The percentage of the tax  
32 revenue distributed under this item that shall be used as  
33 credits against the county's levies or against a particular  
34 township's or municipality's levies is equal to the percentage  
35 determined by dividing the population of the county,  
36 township, or municipality by the sum of the total population  
37 of the county, each township in the county, and each  
38 municipality in the county.



1           The Lake County council shall determine whether the credits  
 2           under clause (A), (B), or (C) shall be provided to homesteads, to  
 3           all qualified residential property, or to all taxpayers. The  
 4           department of local government finance, with the assistance of the  
 5           budget agency, shall certify to the county auditor and the fiscal  
 6           body of the county and each township and municipality in the  
 7           county the amount of property tax credits under this subdivision.  
 8           Except as provided in subsection (g), the tax revenue under this  
 9           section that is used to provide credits under this subdivision shall  
 10          be treated for all purposes as property tax levies.

11          The county council may before October 1 of a year adopt an ordinance  
 12          changing the purposes for which tax revenue attributable to a tax rate  
 13          under this section shall be used in the following year.

14          (g) The tax rate under this section and the tax revenue attributable  
 15          to the tax rate under this section shall not be considered for purposes  
 16          of computing:

- 17           (1) the maximum income tax rate that may be imposed in a county
- 18           under section 2 of this chapter or any other provision of this
- 19           chapter;
- 20           (2) the maximum permissible property tax levy under STEP
- 21           EIGHT of IC 6-1.1-18.5-3(b);
- 22           (3) before January 1, 2009, the total county tax levy under
- 23           IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5)
- 24           (before the repeal of those provisions); or
- 25           (4) the credit under IC 6-1.1-20.6.

26          (h) Tax revenue under this section shall be treated as a part of the  
 27          receiving civil taxing unit's or school corporation's property tax levy for  
 28          that year for purposes of fixing the budget of the civil taxing unit or  
 29          school corporation and for determining the distribution of taxes that are  
 30          distributed on the basis of property tax levies. **To the extent the**  
 31          **county auditor determines that income tax revenue remains from**  
 32          **the tax under this section after providing the property tax**  
 33          **replacement, the excess shall be credited to a dedicated county**  
 34          **account and may be used only for property tax replacement under**  
 35          **this section in subsequent years.**

36          (i) The department of local government finance and the department  
 37          of state revenue may take any actions necessary to carry out the  
 38          purposes of this section.



(j) A taxpayer that owns an industrial plant located in Jasper County is ineligible for a local property tax replacement credit under this section against the property taxes due on the industrial plant if the assessed value of the industrial plant as of March 1, 2006, exceeds twenty percent (20%) of the total assessed value of all taxable property in the county on that date. The general assembly finds that the provisions of this subsection are necessary because the industrial plant represents such a large percentage of Jasper County's assessed valuation.

SECTION 141. IC 6-3.5-1.5-1, AS AMENDED BY P.L.146-2008, SECTION 334, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 1. (a) The department of local government finance and the department of state revenue shall, before July 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of:

- (1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus
- (2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: This STEP applies only to property taxes first due and payable before January 1, 2009. Determine the greater of zero (0) or the result of:

- (1) the department of local government finance's estimate of the family and children property tax levy that will be imposed



- 1 by the county under IC 12-19-7-4 for the ensuing calendar year
- 2 (before any adjustment under IC 12-19-7-4(b) for the ensuing
- 3 calendar year); minus
- 4 (2) the county's family and children property tax levy imposed
- 5 by the county under IC 12-19-7-4 for the current calendar year.
- 6 STEP THREE: This STEP applies only to property taxes first due
- 7 and payable before January 1, 2009. Determine the greater of zero
- 8 (0) or the result of:
- 9 (1) the department of local government finance's estimate of
- 10 the children's psychiatric residential treatment services
- 11 property tax levy that will be imposed by the county under
- 12 IC 12-19-7.5-6 for the ensuing calendar year (before any
- 13 adjustment under IC 12-19-7.5-6(b) for the ensuing calendar
- 14 year); minus
- 15 (2) the children's psychiatric residential treatment services
- 16 property tax imposed by the county under IC 12-19-7.5-6 for
- 17 the current calendar year.
- 18 STEP FOUR: Determine the greater of zero (0) or the result of:
- 19 (1) the department of local government finance's estimate of
- 20 the county's maximum community mental health centers
- 21 property tax levy under IC 12-29-2-2 for the ensuing calendar
- 22 year (before any adjustment under IC 12-29-2-2(c) for the
- 23 ensuing calendar year); minus
- 24 (2) the county's maximum community mental health centers
- 25 property tax levy under IC 12-29-2-2 for the current calendar
- 26 year.
- 27 (b) In the case of a county that wishes to impose a tax rate under
- 28 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the
- 29 department of local government finance and the department of state
- 30 revenue shall jointly estimate the amount that will be calculated under
- 31 subsection (a) in the second year after the tax rate is first imposed. The
- 32 department of local government finance and the department of state
- 33 revenue shall calculate the tax rate under IC 6-3.5-1.1-24 or
- 34 IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the
- 35 second year after the tax rate is first imposed to raise income tax
- 36 revenue equal to the estimate under this subsection.
- 37 (c) The department and the department of local government finance
- 38 shall make the calculations under subsections (a) and (b) based on the



1 best information available at the time the calculation is made.

2 (d) Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a  
 3 county has adopted an income tax rate under IC 6-3.5-1.1-24 or  
 4 IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax  
 5 rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before  
 6 January 1, 2009, to reduce levy growth in the county family and  
 7 children's fund property tax levy and the children's psychiatric  
 8 residential treatment services property tax levy shall instead be used for  
 9 property tax relief in the same manner that a tax rate under  
 10 IC 6-3.5-1.1-26 or ~~IC 6-3.5-6-30~~ **IC 6-3.5-6-32** is used for property tax  
 11 relief.

12 SECTION 142. IC 6-3.5-6-1.1, AS AMENDED BY P.L.146-2008,  
 13 SECTION 336, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE JULY 1, 2009]: Sec. 1.1. (a) For purposes of allocating  
 15 the certified distribution made to a county under this chapter among the  
 16 civil taxing units in the county, the allocation amount for a civil taxing  
 17 unit is the amount determined using the following formula:

18 STEP ONE: Determine the total property taxes that are first due  
 19 and payable to the civil taxing unit during the calendar year of the  
 20 distribution plus, for a county, an amount equal to the welfare  
 21 allocation amount.

22 STEP TWO: Determine the sum of the following:

23 (A) Amounts appropriated from property taxes to pay the  
 24 principal of or interest on any debenture or other debt  
 25 obligation issued after June 30, 2005, other than an obligation  
 26 described in subsection (b).

27 (B) Amounts appropriated from property taxes to make  
 28 payments on any lease entered into after June 30, 2005, other  
 29 than a lease described in subsection (c).

30 (C) The proceeds of any property that are:

31 (i) received as the result of the issuance of a debt obligation  
 32 described in clause (A) or a lease described in clause (B);  
 33 and

34 (ii) appropriated from property taxes for any purpose other  
 35 than to refund or otherwise refinance a debt obligation or  
 36 lease described in subsection (b) or (c).

37 STEP THREE: Subtract the STEP TWO amount from the STEP  
 38 ONE amount.



1 STEP FOUR: Determine the sum of:

2 (A) the STEP THREE amount; plus

3 (B) the civil taxing unit or school corporation's certified  
4 distribution for the previous calendar year.

5 **The allocation amount is subject to adjustment as provided in**  
6 **IC 36-8-19-7.5.** The welfare allocation amount is an amount equal to  
7 the sum of the property taxes imposed by the county in 1999 for the  
8 county's welfare fund and welfare administration fund and, if the  
9 county received a certified distribution under IC 6-3.5-1.1 or this  
10 chapter in 2008, the property taxes imposed by the county in 2008 for  
11 the county's county medical assistance to wards fund, family and  
12 children's fund, children's psychiatric residential treatment services  
13 fund, county hospital care for the indigent fund, and children with  
14 special health care needs county fund.

15 (b) Except as provided in this subsection, an appropriation from  
16 property taxes to repay interest and principal of a debt obligation is not  
17 deducted from the allocation amount for a civil taxing unit if:

18 (1) the debt obligation was issued; and

19 (2) the proceeds appropriated from property taxes;  
20 to refund or otherwise refinance a debt obligation or a lease issued  
21 before July 1, 2005. However, an appropriation from property taxes  
22 related to a debt obligation issued after June 30, 2005, is deducted if  
23 the debt extends payments on a debt or lease beyond the time in which  
24 the debt or lease would have been payable if the debt or lease had not  
25 been refinanced or increases the total amount that must be paid on a  
26 debt or lease in excess of the amount that would have been paid if the  
27 debt or lease had not been refinanced. The amount of the deduction is  
28 the annual amount for each year of the extension period or the annual  
29 amount of the increase over the amount that would have been paid.

30 (c) Except as provided in this subsection, an appropriation from  
31 property taxes to make payments on a lease is not deducted from the  
32 allocation amount for a civil taxing unit if:

33 (1) the lease was issued; and

34 (2) the proceeds were appropriated from property taxes;  
35 to refinance a debt obligation or lease issued before July 1, 2005.  
36 However, an appropriation from property taxes related to a lease  
37 entered into after June 30, 2005, is deducted if the lease extends  
38 payments on a debt or lease beyond the time in which the debt or lease



would have been payable if it had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 143. IC 6-3.5-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county income tax council is established for each county in Indiana. The membership of each county's county income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.

(b) Using procedures described in this chapter, a county income tax council may adopt ordinances to:

- (1) impose the county option income tax in its county;
- (2) subject to section 12 of this chapter, rescind the county option income tax in its county;
- (3) increase the county option income tax rate for the county;
- (4) freeze the county option income tax rate for its county;
- (5) increase the homestead credit in its county; or
- (6) subject to section 12.5 of this chapter, decrease the county option income tax rate for the county.

(c) An ordinance adopted in a particular year under this chapter to impose or rescind the county option income tax or to increase its tax rate is effective ~~July~~ **October** 1 of that year.

SECTION 144. IC 6-3.5-6-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. A county income tax council must before August 1 of each odd-numbered year hold at least one (1) public meeting at which the county income tax council discusses whether the county option income tax rate under this chapter should be adjusted.**

SECTION 145. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;



- 1 (2) fund the operation of a public communications system and
- 2 computer facilities district as provided in an election, if any, made
- 3 by the county fiscal body under IC 36-8-15-19(b);
- 4 (3) fund the operation of a public transportation corporation as
- 5 provided in an election, if any, made by the county fiscal body
- 6 under IC 36-9-4-42;
- 7 (4) make payments permitted under **IC 36-7-14-25.5** or
- 8 IC 36-7-15.1-17.5;
- 9 (5) make payments permitted under subsection (i);
- 10 (6) make distributions of distributive shares to the civil taxing
- 11 units of a county; and
- 12 (7) make the distributions permitted under sections 27, 28, 29, 30,
- 13 31, 32, and 33 of this chapter.
- 14 (b) The county auditor shall retain from the payments of the county's
- 15 certified distribution, an amount equal to the revenue lost, if any, due
- 16 to the increase of the homestead credit within the county. This money
- 17 shall be distributed to the civil taxing units and school corporations of
- 18 the county as though they were property tax collections and in such a
- 19 manner that no civil taxing unit or school corporation shall suffer a net
- 20 revenue loss due to the allowance of an increased homestead credit.
- 21 (c) The county auditor shall retain:
- 22 (1) the amount, if any, specified by the county fiscal body for a
- 23 particular calendar year under subsection (i), **IC 36-7-14-25.5**,
- 24 IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the
- 25 county's certified distribution for that same calendar year; and
- 26 (2) the amount of an additional tax rate imposed under section 27,
- 27 28, 29, 30, 31, 32, or 33 of this chapter.
- 28 The county auditor shall distribute amounts retained under this
- 29 subsection to the county.
- 30 (d) All certified distribution revenues that are not retained and
- 31 distributed under subsections (b) and (c) shall be distributed to the civil
- 32 taxing units of the county as distributive shares.
- 33 (e) The amount of distributive shares that each civil taxing unit in
- 34 a county is entitled to receive during a month equals the product of the
- 35 following:
- 36 (1) The amount of revenue that is to be distributed as distributive
- 37 shares during that month; multiplied by
- 38 (2) A fraction. The numerator of the fraction equals the allocation



1 amount for the civil taxing unit for the calendar year in which the  
 2 month falls. The denominator of the fraction equals the sum of the  
 3 allocation amounts of all the civil taxing units of the county for  
 4 the calendar year in which the month falls.

5 (f) The department of local government finance shall provide each  
 6 county auditor with the fractional amount of distributive shares that  
 7 each civil taxing unit in the auditor's county is entitled to receive  
 8 monthly under this section.

9 (g) Notwithstanding subsection (e), if a civil taxing unit of an  
 10 adopting county does not impose a property tax levy that is first due  
 11 and payable in a calendar year in which distributive shares are being  
 12 distributed under this section, that civil taxing unit is entitled to receive  
 13 a part of the revenue to be distributed as distributive shares under this  
 14 section within the county. The fractional amount such a civil taxing  
 15 unit is entitled to receive each month during that calendar year equals  
 16 the product of the following:

17 (1) The amount to be distributed as distributive shares during that  
 18 month; multiplied by

19 (2) A fraction. The numerator of the fraction equals the budget of  
 20 that civil taxing unit for that calendar year. The denominator of  
 21 the fraction equals the aggregate budgets of all civil taxing units  
 22 of that county for that calendar year.

23 (h) If for a calendar year a civil taxing unit is allocated a part of a  
 24 county's distributive shares by subsection (g), then the formula used in  
 25 subsection (e) to determine all other civil taxing units' distributive  
 26 shares shall be changed each month for that same year by reducing the  
 27 amount to be distributed as distributive shares under subsection (e) by  
 28 the amount of distributive shares allocated under subsection (g) for that  
 29 same month. The department of local government finance shall make  
 30 any adjustments required by this subsection and provide them to the  
 31 appropriate county auditors.

32 (i) Notwithstanding any other law, a county fiscal body may pledge  
 33 revenues received under this chapter (other than revenues attributable  
 34 to a tax rate imposed under section 30, 31, or 32 of this chapter) to the  
 35 payment of bonds or lease rentals to finance a qualified economic  
 36 development tax project under IC 36-7-27 in that county or in any other  
 37 county if the county fiscal body determines that the project will  
 38 promote significant opportunities for the gainful employment or



1 retention of employment of the county's residents.

2 SECTION 146. IC 6-3.5-6-30, AS AMENDED BY P.L.146-2008,  
3 SECTION 341, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 30. (a) In  
5 a county in which the county option income tax is in effect, the county  
6 income tax council may, before August 1 of a year, adopt an ordinance  
7 to impose or increase (as applicable) a tax rate under this section.

8 (b) In a county in which neither the county option adjusted gross  
9 income tax nor the county option income tax is in effect, the county  
10 income tax council may, before August 1 of a year, adopt an ordinance  
11 to impose a tax rate under this section.

12 (c) An ordinance adopted under this section takes effect October 1  
13 of the year in which the ordinance is adopted. If a county income tax  
14 council adopts an ordinance to impose or increase a tax rate under this  
15 section, the county auditor shall send a certified copy of the ordinance  
16 to the department and the department of local government finance by  
17 certified mail.

18 (d) A tax rate under this section is in addition to any other tax rates  
19 imposed under this chapter and does not affect the purposes for which  
20 other tax revenue under this chapter may be used.

21 (e) The following apply only in the year in which a county income  
22 tax council first imposes a tax rate under this section:

23 (1) The county income tax council shall, in the ordinance  
24 imposing the tax rate, specify the tax rate for each of the  
25 following two (2) years.

26 (2) The tax rate that must be imposed in the county from October  
27 1 of the year in which the tax rate is imposed through September  
28 30 of the following year is equal to the result of:

29 (A) the tax rate determined for the county under  
30 IC 6-3.5-1.5-1(a) in that year; multiplied by

31 (B) the following:

32 (i) In a county containing a consolidated city, one and  
33 five-tenths (1.5).

34 (ii) In a county other than a county containing a consolidated  
35 city, two (2).

36 (3) The tax rate that must be imposed in the county from October  
37 1 of the following year through September 30 of the year after the  
38 following year is the tax rate determined for the county under



- 1 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues  
 2 in effect in later years unless the tax rate is increased under this  
 3 section.
- 4 (4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),  
 5 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its  
 6 repeal), and IC 12-29-2-2(c) apply to property taxes first due and  
 7 payable in the ensuing calendar year and to property taxes first  
 8 due and payable in the calendar year after the ensuing calendar  
 9 year.
- 10 (f) The following apply only in a year in which a county income tax  
 11 council increases a tax rate under this section:
- 12 (1) The county income tax council shall, in the ordinance  
 13 increasing the tax rate, specify the tax rate for the following year.
- 14 (2) The tax rate that must be imposed in the county from October  
 15 1 of the year in which the tax rate is increased through September  
 16 30 of the following year is equal to the result of:
- 17 (A) the tax rate determined for the county under  
 18 IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus
- 19 (B) the tax rate currently in effect in the county under this  
 20 section.
- 21 The tax rate under this subdivision continues in effect in later  
 22 years unless the tax rate is increased under this section.
- 23 (3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),  
 24 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its  
 25 repeal), and IC 12-29-2-2(c) apply to property taxes first due and  
 26 payable in the ensuing calendar year.
- 27 (g) The department of local government finance shall determine the  
 28 following property tax replacement distribution amounts:
- 29 STEP ONE: Determine the sum of the amounts determined under  
 30 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the  
 31 county in the preceding year.
- 32 STEP TWO: For distribution to each civil taxing unit that in the  
 33 year had a maximum permissible property tax levy limited under  
 34 IC 6-1.1-18.5-3(g), determine the result of:
- 35 (1) the quotient of:
- 36 (A) the part of the amount determined under STEP ONE of  
 37 IC 6-3.5-1.5-1(a) in the preceding year that was attributable  
 38 to the civil taxing unit; divided by



1 (B) the STEP ONE amount; multiplied by  
 2 (2) the tax revenue received by the county treasurer under this  
 3 section.

4 STEP THREE: For distributions in 2009 and thereafter, the result  
 5 of this STEP is zero (0). For distribution to the county for deposit  
 6 in the county family and children's fund before 2009, determine  
 7 the result of:

8 (1) the quotient of:

9 (A) the amount determined under STEP TWO of  
 10 IC 6-3.5-1.5-1(a) in the preceding year; divided by

11 (B) the STEP ONE amount; multiplied by  
 12 (2) the tax revenue received by the county treasurer under this  
 13 section.

14 STEP FOUR: For distributions in 2009 and thereafter, the result  
 15 of this STEP is zero (0). For distribution to the county for deposit  
 16 in the county children's psychiatric residential treatment services  
 17 fund before 2009, determine the result of:

18 (1) the quotient of:

19 (A) the amount determined under STEP THREE of  
 20 IC 6-3.5-1.5-1(a) in the preceding year; divided by

21 (B) the STEP ONE amount; multiplied by  
 22 (2) the tax revenue received by the county treasurer under this  
 23 section.

24 STEP FIVE: For distribution to the county for community mental  
 25 health center purposes, determine the result of:

26 (1) the quotient of:

27 (A) the amount determined under STEP FOUR of  
 28 IC 6-3.5-1.5-1(a) in the preceding year; divided by

29 (B) the STEP ONE amount; multiplied by  
 30 (2) the tax revenue received by the county treasurer under this  
 31 section.

32 Except as provided in subsection (m), the county treasurer shall  
 33 distribute the portion of the certified distribution that is attributable to  
 34 a tax rate under this section as specified in this section. The county  
 35 treasurer shall make the distributions under this subsection at the same  
 36 time that distributions are made to civil taxing units under section 18  
 37 of this chapter.

38 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county



1 income tax council may not decrease or rescind a tax rate imposed  
2 under this ~~chapter~~ **section**.

3 (i) The tax rate under this section shall not be considered for  
4 purposes of computing:

5 (1) the maximum income tax rate that may be imposed in a county  
6 under section 8 or 9 of this chapter or any other provision of this  
7 chapter; or

8 (2) the maximum permissible property tax levy under STEP  
9 EIGHT of IC 6-1.1-18.5-3(b).

10 (j) The tax levy under this section shall not be considered for  
11 purposes of computing the total county tax levy under  
12 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) (before  
13 the repeal of those provisions) or for purposes of the credit under  
14 IC 6-1.1-20.6.

15 (k) A distribution under this section shall be treated as a part of the  
16 receiving civil taxing unit's property tax levy for that year for purposes  
17 of fixing its budget and for determining the distribution of taxes that  
18 are distributed on the basis of property tax levies.

19 (l) If a county income tax council imposes a tax rate under this  
20 section, the county option income tax rate dedicated to locally funded  
21 homestead credits in the county may not be decreased.

22 (m) In the year following the year in which a county first imposes  
23 a tax rate under this section:

24 (1) one-third ( $1/3$ ) of the tax revenue that is attributable to the tax  
25 rate under this section must be deposited in the county  
26 stabilization fund established under subsection (o), in the case of  
27 a county containing a consolidated city; and

28 (2) one-half ( $1/2$ ) of the tax revenue that is attributable to the tax  
29 rate under this section must be deposited in the county  
30 stabilization fund established under subsection (o), in the case of  
31 a county not containing a consolidated city.

32 (n) A pledge of county option income taxes does not apply to  
33 revenue attributable to a tax rate under this section.

34 (o) A county stabilization fund is established in each county that  
35 imposes a tax rate under this section. The county stabilization fund  
36 shall be administered by the county auditor. If for a year the certified  
37 distributions attributable to a tax rate under this section exceed the  
38 amount calculated under STEP ONE through STEP FOUR of



1 IC 6-3.5-1.5-1(a) that is used by the department of local government  
 2 finance and the department of state revenue to determine the tax rate  
 3 under this section, the excess shall be deposited in the county  
 4 stabilization fund. Money shall be distributed from the county  
 5 stabilization fund in a year by the county auditor to political  
 6 subdivisions entitled to a distribution of tax revenue attributable to the  
 7 tax rate under this section if:

8 (1) the certified distributions attributable to a tax rate under this  
 9 section are less than the amount calculated under STEP ONE  
 10 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the  
 11 department of local government finance and the department of  
 12 state revenue to determine the tax rate under this section for a  
 13 year; or

14 (2) the certified distributions attributable to a tax rate under this  
 15 section in a year are less than the certified distributions  
 16 attributable to a tax rate under this section in the preceding year.

17 However, subdivision (2) does not apply to the year following the first  
 18 year in which certified distributions of revenue attributable to the tax  
 19 rate under this section are distributed to the county.

20 (p) Notwithstanding any other provision, a tax rate imposed under  
 21 this section may not exceed one percent (1%).

22 (q) A county income tax council must each year hold at least one (1)  
 23 public meeting at which the county **income tax** council discusses  
 24 whether the tax rate under this section should be imposed or increased.

25 (r) The department of local government finance and the department  
 26 of state revenue may take any actions necessary to carry out the  
 27 purposes of this section.

28 (s) Notwithstanding any other provision, in Lake County the county  
 29 council (and not the county income tax council) is the entity authorized  
 30 to take actions concerning the additional tax rate under this section.

31 SECTION 147. IC 6-3.5-6-32, AS AMENDED BY P.L.146-2008,  
 32 SECTION 343, IS AMENDED TO READ AS FOLLOWS  
 33 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 32. (a) A  
 34 county income tax council may impose a tax rate under this section to  
 35 provide property tax relief to ~~political subdivisions~~ **taxpayers** in the  
 36 county. A county income tax council is not required to impose any  
 37 other tax before imposing a tax rate under this section.

38 (b) A tax rate under this section may be imposed in increments of



1 five-hundredths of one percent (0.05%) determined by the county  
2 income tax council. A tax rate under this section may not exceed one  
3 percent (1%).

4 (c) A tax rate under this section is in addition to any other tax rates  
5 imposed under this chapter and does not affect the purposes for which  
6 other tax revenue under this chapter may be used.

7 (d) If a county income tax council adopts an ordinance to impose or  
8 increase a tax rate under this section, the county auditor shall send a  
9 certified copy of the ordinance to the department and the department  
10 of local government finance by certified mail.

11 (e) A tax rate under this section may be imposed, increased,  
12 decreased, or rescinded at the same time and in the same manner that  
13 the county income tax council may impose or increase a tax rate under  
14 section 30 of this chapter.

15 (f) Tax revenue attributable to a tax rate under this section may be  
16 used for any combination of the following purposes, as specified by  
17 ordinance of the county income tax council:

18 (1) The tax revenue may be used to provide local property tax  
19 replacement credits at a uniform rate to all taxpayers in the  
20 county. The local property tax replacement credits shall be treated  
21 for all purposes as property tax levies. The county auditor shall  
22 determine the local property tax replacement credit percentage for  
23 a particular year based on the amount of tax revenue that will be  
24 used under this subdivision to provide local property tax  
25 replacement credits in that year. A county income tax council may  
26 not adopt an ordinance determining that tax revenue shall be used  
27 under this subdivision to provide local property tax replacement  
28 credits at a uniform rate to all taxpayers in the county unless the  
29 county council has done the following:

30 (A) Made available to the public the county council's best  
31 estimate of the amount of property tax replacement credits to  
32 be provided under this subdivision to homesteads, other  
33 residential property, commercial property, industrial property,  
34 and agricultural property.

35 (B) Adopted a resolution or other statement acknowledging  
36 that some taxpayers in the county that do not pay the tax rate  
37 under this section will receive a property tax replacement  
38 credit that is funded with tax revenue from the tax rate under



1 this section.

2 (2) The tax revenue may be used to uniformly increase (before  
3 January 1, ~~2009~~ **2011**) or uniformly provide (after December 31,  
4 ~~2008~~ **2010**) the homestead credit percentage in the county. The  
5 homestead credits shall be treated for all purposes as property tax  
6 levies. The homestead credits do not reduce the basis for  
7 determining ~~the any~~ state homestead credit. ~~under IC 6-1.1-20.9~~  
8 ~~(before its repeal)~~. The homestead credits shall be applied to the  
9 net property taxes due on the homestead after the application of  
10 all other assessed value deductions or property tax deductions and  
11 credits that apply to the amount owed under IC 6-1.1. The  
12 ~~department of local government finance~~ **county auditor** shall  
13 determine the homestead credit percentage for a particular year  
14 based on the amount of tax revenue that will be used under this  
15 subdivision to provide homestead credits in that year.

16 (3) The tax revenue may be used to provide local property tax  
17 replacement credits at a uniform rate for all qualified residential  
18 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,  
19 and as defined in section 1 of this chapter after December 31,  
20 2008) in the county. The local property tax replacement credits  
21 shall be treated for all purposes as property tax levies. The county  
22 auditor shall determine the local property tax replacement credit  
23 percentage for a particular year based on the amount of tax  
24 revenue that will be used under this subdivision to provide local  
25 property tax replacement credits in that year.

26 (4) This subdivision applies only to Lake County. The Lake  
27 County council may adopt an ordinance providing that the tax  
28 revenue from the tax rate under this section is used for any of the  
29 following:

30 (A) To reduce all property tax levies imposed by the county by  
31 the granting of property tax replacement credits against those  
32 property tax levies.

33 (B) To provide local property tax replacement credits in Lake  
34 County in the following manner:

35 (i) The tax revenue under this section that is collected from  
36 taxpayers within a particular municipality in Lake County  
37 (as determined by the department based on the department's  
38 best estimate) shall be used only to provide a local property



1 tax credit against property taxes imposed by that  
2 municipality.

3 (ii) The tax revenue under this section that is collected from  
4 taxpayers within the unincorporated area of Lake County (as  
5 determined by the department) shall be used only to provide  
6 a local property tax credit against property taxes imposed by  
7 the county. The local property tax credit for the  
8 unincorporated area of Lake County shall be available only  
9 to those taxpayers within the unincorporated area of the  
10 county.

11 (C) To provide property tax credits in the following manner:

12 (i) Sixty percent (60%) of the tax revenue under this section  
13 shall be used as provided in clause (B).

14 (ii) Forty percent (40%) of the tax revenue under this section  
15 shall be used to provide property tax replacement credits  
16 against property tax levies of the county and each township  
17 and municipality in the county. The percentage of the tax  
18 revenue distributed under this item that shall be used as  
19 credits against the county's levies or against a particular  
20 township's or municipality's levies is equal to the percentage  
21 determined by dividing the population of the county,  
22 township, or municipality by the sum of the total population  
23 of the county, each township in the county, and each  
24 municipality in the county.

25 The Lake County council shall determine whether the credits  
26 under clause (A), (B), or (C) shall be provided to homesteads, to  
27 all qualified residential property, or to all taxpayers. The  
28 department of local government finance, with the assistance of the  
29 budget agency, shall certify to the county auditor and the fiscal  
30 body of the county and each township and municipality in the  
31 county the amount of property tax credits under this subdivision.  
32 Except as provided in subsection (g), the tax revenue under this  
33 section that is used to provide credits under this subdivision shall  
34 be treated for all purposes as property tax levies.

35 The county income tax council may before October 1 of a year adopt  
36 an ordinance changing the purposes for which tax revenue attributable  
37 to a tax rate under this section shall be used in the following year.

38 (g) The tax rate under this section shall not be considered for



1 purposes of computing:

- 2 (1) the maximum income tax rate that may be imposed in a county  
 3 under section 8 or 9 of this chapter or any other provision of this  
 4 chapter;  
 5 (2) the maximum permissible property tax levy under STEP  
 6 EIGHT of IC 6-1.1-18.5-3(b); or  
 7 (3) the credit under IC 6-1.1-20.6.

8 (h) Tax revenue under this section shall be treated as a part of the  
 9 receiving civil taxing unit's or school corporation's property tax levy for  
 10 that year for purposes of fixing the budget of the civil taxing unit or  
 11 school corporation and for determining the distribution of taxes that are  
 12 distributed on the basis of property tax levies. **To the extent the**  
 13 **county auditor determines that income tax revenue remains from**  
 14 **the tax under this section after providing the property tax**  
 15 **replacement, the excess shall be credited to a dedicated county**  
 16 **account and may be used only for property tax replacement under**  
 17 **this section in subsequent years.**

18 (i) The department of local government finance and the department  
 19 of state revenue may take any actions necessary to carry out the  
 20 purposes of this section.

21 (j) Notwithstanding any other provision, in Lake County the county  
 22 council (and not the county income tax council) is the entity authorized  
 23 to take actions concerning the tax rate under this section.

24 SECTION 148. IC 6-3.5-7-12, AS AMENDED BY P.L.146-2008,  
 25 SECTION 346, IS AMENDED TO READ AS FOLLOWS  
 26 [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided in  
 27 sections 23, 25, 26, 27, and 28 of this chapter, the county auditor shall  
 28 distribute in the manner specified in this section the certified  
 29 distribution to the county.

30 (b) Except as provided in subsections (c) and (h) and sections 15  
 31 and 25 of this chapter, **and subject to adjustment as provided in**  
 32 **IC 36-8-19-7.5**, the amount of the certified distribution that the county  
 33 and each city or town in a county is entitled to receive during May and  
 34 November of each year equals the product of the following:

- 35 (1) The amount of the certified distribution for that month;  
 36 multiplied by  
 37 (2) A fraction. The numerator of the fraction equals the sum of:  
 38 (A) total property taxes that are first due and payable to the



1 county, city, or town during the calendar year in which the  
 2 month falls; plus

3 (B) for a county, the welfare allocation amount.

4 The denominator of the fraction equals the sum of the total  
 5 property taxes that are first due and payable to the county and all  
 6 cities and towns of the county during the calendar year in which  
 7 the month falls, plus the welfare allocation amount. The welfare  
 8 allocation amount is an amount equal to the sum of the property  
 9 taxes imposed by the county in 1999 for the county's welfare fund  
 10 and welfare administration fund and, if the county received a  
 11 certified distribution under this chapter in 2008, the property  
 12 taxes imposed by the county in 2008 for the county's county  
 13 medical assistance to wards fund, family and children's fund,  
 14 children's psychiatric residential treatment services fund, county  
 15 hospital care for the indigent fund, and children with special  
 16 health care needs county fund.

17 (c) This subsection applies to a county council or county income tax  
 18 council that imposes a tax under this chapter after June 1, 1992. The  
 19 body imposing the tax may adopt an ordinance before July 1 of a year  
 20 to provide for the distribution of certified distributions under this  
 21 subsection instead of a distribution under subsection (b). The following  
 22 apply if an ordinance is adopted under this subsection:

23 (1) The ordinance is effective January 1 of the following year.

24 (2) Except as provided in sections 25 and 26 of this chapter, the  
 25 amount of the certified distribution that the county and each city  
 26 and town in the county is entitled to receive during May and  
 27 November of each year equals the product of:

28 (A) the amount of the certified distribution for the month;  
 29 multiplied by

30 (B) a fraction. For a city or town, the numerator of the fraction  
 31 equals the population of the city or the town. For a county, the  
 32 numerator of the fraction equals the population of the part of  
 33 the county that is not located in a city or town. The  
 34 denominator of the fraction equals the sum of the population  
 35 of all cities and towns located in the county and the population  
 36 of the part of the county that is not located in a city or town.

37 (3) The ordinance may be made irrevocable for the duration of  
 38 specified lease rental or debt service payments.



1 (d) The body imposing the tax may not adopt an ordinance under  
2 subsection (c) if, before the adoption of the proposed ordinance, any of  
3 the following have pledged the county economic development income  
4 tax for any purpose permitted by IC 5-1-14 or any other statute:

5 (1) The county.

6 (2) A city or town in the county.

7 (3) A commission, a board, a department, or an authority that is  
8 authorized by statute to pledge the county economic development  
9 income tax.

10 (e) The department of local government finance shall provide each  
11 county auditor with the fractional amount of the certified distribution  
12 that the county and each city or town in the county is entitled to receive  
13 under this section.

14 (f) Money received by a county, city, or town under this section  
15 shall be deposited in the unit's economic development income tax fund.

16 (g) Except as provided in subsection (b)(2)(B), in determining the  
17 fractional amount of the certified distribution the county and its cities  
18 and towns are entitled to receive under subsection (b) during a calendar  
19 year, the department of local government finance shall consider only  
20 property taxes imposed on tangible property subject to assessment in  
21 that county.

22 (h) In a county having a consolidated city, only the consolidated city  
23 is entitled to the certified distribution, subject to the requirements of  
24 sections 15, 25, and 26 of this chapter.

25 SECTION 149. IC 6-6-5-10, AS AMENDED BY P.L.146-2008,  
26 SECTION 353, IS AMENDED TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2009]: Sec. 10. (a) The bureau shall establish  
28 procedures necessary for the collection of the tax imposed by this  
29 chapter and for the proper accounting for the same. The necessary  
30 forms and records shall be subject to approval by the state board of  
31 accounts.

32 (b) The county treasurer, upon receiving the excise tax collections,  
33 shall receipt such collections into a separate account for settlement  
34 thereof at the same time as property taxes are accounted for and settled  
35 in June and December of each year, with the right and duty of the  
36 treasurer and auditor to make advances prior to the time of final  
37 settlement of such property taxes in the same manner as provided in  
38 IC 5-13-6-3.



(c) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund. The county auditor shall determine the total amount of excise taxes collected for each taxing district in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of the taxing units in the same manner and at the same time as property taxes are apportioned and distributed (**subject to adjustment as provided in IC 36-8-19-7.5**). However, for purposes of determining distributions under this section for 2009 and each year thereafter, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit, as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the result of the following:

(A) Separately for 1997, 1998, and 1999 for each taxing district in the county, determine the result of:

(i) the amount appropriated in the year by the county from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all taxing units in the county for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing



- 1 district in the county, determine the result of:
- 2 (i) the tax rate imposed in the taxing district for the county's
- 3 county medical assistance to wards fund, family and
- 4 children's fund, children's psychiatric residential treatment
- 5 services fund, county hospital care for the indigent fund,
- 6 children with special health care needs county fund, plus, in
- 7 the case of Marion County, the tax rate imposed by the
- 8 health and hospital corporation that was necessary to raise
- 9 thirty-five million dollars (\$35,000,000) from all taxing
- 10 districts in the county; divided by
- 11 (ii) the aggregate tax rate imposed in the taxing district for
- 12 the same year.
- 13 (B) Determine the sum of the clause (A) amounts.
- 14 (C) Divide the clause (B) amount by three (3).
- 15 (D) Determine the result of:
- 16 (i) the amount of excise taxes allocated to the taxing district
- 17 that would otherwise be available for distribution to taxing
- 18 units in the taxing district after subtracting the STEP ONE
- 19 (D) amount for the same taxing district; multiplied by
- 20 (ii) the clause (C) amount.
- 21 (E) Determine the sum of the clause (D) amounts for all taxing
- 22 districts in the county.
- 23 STEP THREE: Determine the result of the following:
- 24 (A) Separately for 2006, 2007, and 2008 for each taxing
- 25 district in the county, determine the result of:
- 26 (i) the tuition support levy tax rate imposed in the taxing
- 27 district plus the tax rate imposed by the school corporation
- 28 for the school corporation's special education preschool fund
- 29 in the district; divided by
- 30 (ii) the aggregate tax rate imposed in the taxing district for
- 31 the same year.
- 32 (B) Determine the sum of the clause (A) amounts.
- 33 (C) Divide the clause (B) amount by three (3).
- 34 (D) Determine the result of:
- 35 (i) the amount of excise taxes allocated to the taxing district
- 36 that would otherwise be available for distribution to taxing
- 37 units in the taxing district after subtracting the STEP ONE
- 38 (D) amount for the same taxing district; multiplied by



1 (ii) the clause (C) amount.

2 (E) Determine the sum of the clause (D) amounts for all taxing  
3 districts in the county.

4 STEP FOUR: Determine the sum of the STEP ONE, STEP TWO,  
5 and STEP THREE amounts for the county.

6 If the boundaries of a taxing district change after the years for which a  
7 ratio is calculated under STEP ONE, STEP TWO, or STEP THREE,  
8 the budget agency shall establish a ratio for the new taxing district that  
9 reflects the tax rates imposed in the predecessor taxing districts.

10 (d) Such determination shall be made from copies of vehicle  
11 registration forms furnished by the bureau of motor vehicles. Prior to  
12 such determination, the county assessor of each county shall, from  
13 copies of registration forms, cause information pertaining to legal  
14 residence of persons owning taxable vehicles to be verified from the  
15 assessor's records, to the extent such verification can be so made. The  
16 assessor shall further identify and verify from the assessor's records the  
17 several taxing units within which such persons reside.

18 (e) Such verifications shall be done by not later than thirty (30) days  
19 after receipt of vehicle registration forms by the county assessor, and  
20 the assessor shall certify such information to the county auditor for the  
21 auditor's use as soon as it is checked and completed.

22 SECTION 150. IC 6-6-5.5-20, AS AMENDED BY P.L.146-2008,  
23 SECTION 354, IS AMENDED TO READ AS FOLLOWS  
24 [EFFECTIVE JULY 1, 2009]: Sec. 20. (a) On or before May 1, subject  
25 to subsections (c) and (d), the auditor of state shall distribute to each  
26 county auditor an amount equal to fifty percent (50%) of the total base  
27 revenue to be distributed to all taxing units in the county for that year.

28 (b) On or before December 1, subject to subsections (c) and (d), the  
29 auditor of state shall distribute to each county auditor an amount equal  
30 to the greater of the following:

31 (1) Fifty percent (50%) of the total base revenue to be distributed  
32 to all taxing units in the county for that year.

33 (2) The product of the county's distribution percentage multiplied  
34 by the total commercial vehicle excise tax revenue deposited in  
35 the commercial vehicle excise tax fund.

36 (c) Before distributing the amounts under subsections (a) and (b),  
37 the auditor of state shall deduct for a county unit an amount for deposit  
38 in a state fund, as directed by the budget agency, equal to the result



1 determined under STEP FIVE of the following formula:

2 STEP ONE: Separately for 2006, 2007, and 2008, determine the

3 result of:

4 (A) the tax rate imposed by the county in the year for the

5 county's county medical assistance to wards fund, family and

6 children's fund, children's psychiatric residential treatment

7 services fund, county hospital care for the indigent fund,

8 children with special health care needs county fund, plus, in

9 the case of Marion County, the tax rate imposed by the health

10 and hospital corporation that was necessary to raise thirty-five

11 million dollars (\$35,000,000) from all taxing districts in the

12 county; divided by

13 (B) the aggregate tax rate imposed by the county unit and, in

14 the case of Marion County, the health and hospital corporation

15 in the year.

16 STEP TWO: Determine the sum of the STEP ONE amounts.

17 STEP THREE: Divide the STEP TWO result by three (3).

18 STEP FOUR: Determine the amount that would otherwise be

19 distributed to the county under subsection (a) or (b), as

20 appropriate, without regard to this subsection.

21 STEP FIVE: Determine the result of:

22 (A) the STEP THREE amount; multiplied by

23 (B) the STEP FOUR result.

24 (d) Before distributing the amounts under subsections (a) and (b),

25 the auditor of state shall deduct for a school corporation an amount for

26 deposit in a state fund, as directed by the budget agency, equal to the

27 result determined under STEP FIVE of the following formula:

28 STEP ONE: Separately for 2006, 2007, and 2008, determine the

29 result of:

30 (A) the tax rate imposed by the school corporation in the year

31 for the tuition support levy under IC 6-1.1-19-1.5 (repealed) or

32 IC 20-45-3-11 (repealed) for the school corporation's general

33 fund plus the tax rate imposed by the school corporation for

34 the school corporation's special education preschool fund;

35 divided by

36 (B) the aggregate tax rate imposed by the school corporation

37 in the year.

38 STEP TWO: Determine the sum of the results determined under



1 STEP ONE.

2 STEP THREE: Divide the STEP TWO result by three (3).

3 STEP FOUR: Determine the amount of commercial vehicle  
4 excise tax that would otherwise be distributed to the school  
5 corporation under subsection (a) or (b), as appropriate, without  
6 regard to this subsection.

7 STEP FIVE: Determine the result of:

8 (A) the STEP FOUR amount; multiplied by

9 (B) the STEP THREE result.

10 (e) Upon receipt, the county auditor shall distribute to the taxing  
11 units an amount equal to the product of the taxing unit's distribution  
12 percentage multiplied by the total distributed to the county under this  
13 section. The amount determined shall be apportioned and distributed  
14 among the respective funds of each taxing unit in the same manner and  
15 at the same time as property taxes are apportioned and distributed  
16 **(subject to adjustment as provided in IC 36-8-19-7.5).**

17 (f) In the event that sufficient funds are not available in the  
18 commercial vehicle excise tax fund for the distributions required by  
19 subsection (a) and subsection (b)(1), the auditor of state shall transfer  
20 funds from the commercial vehicle excise tax reserve fund.

21 (g) The auditor of state shall, not later than July 1 of each year,  
22 furnish to each county auditor an estimate of the amounts to be  
23 distributed to the counties under this section during the next calendar  
24 year. Before August 1, each county auditor shall furnish to the proper  
25 officer of each taxing unit of the county an estimate of the amounts to  
26 be distributed to the taxing units under this section during the next  
27 calendar year and the budget of each taxing unit shall show the  
28 estimated amounts to be received for each fund for which a property  
29 tax is proposed to be levied.

30 SECTION 151. IC 6-6-6.5-21, AS AMENDED BY P.L.146-2008,  
31 SECTION 355, IS AMENDED TO READ AS FOLLOWS  
32 [EFFECTIVE JULY 1, 2009]: Sec. 21. (a) The department shall  
33 allocate each aircraft excise tax payment collected by it to the county  
34 in which the aircraft is usually located when not in operation or to the  
35 aircraft owner's county of residence if based out of state. The  
36 department shall distribute to each county treasurer on a quarterly basis  
37 the aircraft excise taxes which were collected by the department during  
38 the preceding three (3) months and which the department has allocated



1 to that county. The distribution shall be made on or before the fifteenth  
2 of the month following each quarter and the first distribution each year  
3 shall be made in April.

4 (b) Concurrently with making a distribution of aircraft excise taxes,  
5 the department shall send an aircraft excise tax report to the county  
6 treasurer and the county auditor. The department shall prepare the  
7 report on the form prescribed by the state board of accounts. The  
8 aircraft excise tax report must include aircraft identification, owner  
9 information, and excise tax payment, and must indicate the county  
10 where the aircraft is normally kept when not in operation. The  
11 department shall, in the manner prescribed by the state board of  
12 accounts, maintain records concerning the aircraft excise taxes  
13 received and distributed by it.

14 (c) Except as provided in section 21.5 of this chapter, each county  
15 treasurer shall deposit money received by ~~him~~ **the treasurer** under this  
16 chapter in a separate fund to be known as the "aircraft excise tax fund".  
17 The money in the aircraft excise tax fund shall be distributed to the  
18 taxing units of the county in the manner prescribed in subsection (d).

19 (d) As used in this subsection, "taxing district" has the meaning set  
20 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in  
21 IC 6-1.1-1-21, and "tuition support levy" refers to a school  
22 corporation's tuition support property tax levy under IC 20-45-3-11  
23 (repealed) for the school corporation's general fund. In order to  
24 distribute the money in the county aircraft excise tax fund to the taxing  
25 units of the county, the county auditor shall first allocate the money in  
26 the fund among the taxing districts of the county. In making these  
27 allocations, the county auditor shall allocate to a taxing district the  
28 excise taxes collected with respect to aircraft usually located in the  
29 taxing district when not in operation. Subject to this subsection, the  
30 money allocated to a taxing district shall be apportioned and distributed  
31 among the taxing units of that taxing district in the same manner and  
32 at the same time that the property taxes are apportioned and distributed  
33 **(subject to adjustment as provided in IC 36-8-19-7.5)**. For purposes  
34 of determining the distribution for a year under this section for a taxing  
35 unit, a state welfare and tuition support allocation shall be deducted  
36 from the total amount available for apportionment and distribution to  
37 taxing units under this section before any apportionment and  
38 distribution is made. The county auditor shall remit the state welfare



1 and tuition support allocation to the treasurer of state for deposit as  
 2 directed by the budget agency. The amount of the state welfare and  
 3 tuition support allocation for a county for a particular year is equal to  
 4 the result determined under STEP THREE of the following formula:

5 STEP ONE: Determine the result of the following:

6 (A) Separately for 2006, 2007, and 2008 for each taxing  
 7 district in the county, determine the result of:

8 (i) the tax rate imposed in the taxing district for the county's  
 9 county medical assistance to wards fund, family and  
 10 children's fund, children's psychiatric residential treatment  
 11 services fund, county hospital care for the indigent fund,  
 12 children with special health care needs county fund, plus, in  
 13 the case of Marion County, the tax rate imposed by the  
 14 health and hospital corporation that was necessary to raise  
 15 thirty-five million dollars (\$35,000,000) from all taxing  
 16 districts in the county; divided by

17 (ii) the aggregate tax rate imposed in the taxing district for  
 18 the same year.

19 (B) Determine the sum of the clause (A) amounts.

20 (C) Divide the clause (B) amount by three (3).

21 (D) Determine the result of:

22 (i) the amount of excise taxes allocated to the taxing district  
 23 that would otherwise be available for distribution to taxing  
 24 units in the taxing district; multiplied by

25 (ii) the clause (C) amount.

26 (E) Determine the sum of the clause (D) amounts for all taxing  
 27 districts in the county.

28 STEP TWO: Determine the result of the following:

29 (A) Separately for 2006, 2007, and 2008 for each taxing  
 30 district in the county, determine the result of:

31 (i) the tuition support levy tax rate imposed in the taxing  
 32 district plus the tax rate imposed by the school corporation  
 33 for the school corporation's special education preschool fund  
 34 in the district; divided by

35 (ii) the aggregate tax rate imposed in the taxing district for  
 36 the same year.

37 (B) Determine the sum of the clause (A) amounts.

38 (C) Divide the clause (B) amount by three (3).



(D) Determine the result of:

- (i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by
- (ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the sum of the STEP ONE and STEP TWO amounts for the county.

If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE or STEP TWO, the budget agency shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts.

(e) Within thirty (30) days following the receipt of excise taxes from the department, the county treasurer shall file a report with the county auditor concerning the aircraft excise taxes collected by the county treasurer. The county treasurer shall file the report on the form prescribed by the state board of accounts. The county treasurer shall, in the manner and at the times prescribed in IC 6-1.1-27, make a settlement with the county auditor for the aircraft excise taxes collected by the county treasurer. The county treasurer shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by ~~him~~ **the treasurer**.

SECTION 152. IC 6-6-11-31, AS AMENDED BY P.L.146-2008, SECTION 357, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 31. (a) A boat excise tax fund is established in each county. Each county treasurer shall deposit in the fund the taxes received under this chapter.

(b) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund. The excise tax money in the county boat excise tax fund shall be distributed to the taxing units of the county. The county auditor shall allocate the money in the fund among the taxing districts of the county based on the tax situs of each boat. Subject to this subsection, the money allocated to the taxing units shall be apportioned and distributed among the funds of



the taxing units in the same manner and at the same time that property taxes are apportioned and distributed **(subject to adjustment as provided in IC 36-8-19-7.5)**. For purposes of determining the distribution for a year under this section for a taxing unit, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars (\$35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:



- 1 (i) the tuition support levy tax rate imposed in the taxing
- 2 district plus the tax rate imposed by the school corporation
- 3 for the school corporation's special education preschool fund
- 4 in the district; divided by
- 5 (ii) the aggregate tax rate imposed in the taxing district for
- 6 the same year.
- 7 (B) Determine the sum of the clause (A) amounts.
- 8 (C) Divide the clause (B) amount by three (3).
- 9 (D) Determine the result of:
- 10 (i) the amount of excise taxes allocated to the taxing district
- 11 that would otherwise be available for distribution to taxing
- 12 units in the taxing district; multiplied by
- 13 (ii) the clause (C) amount.
- 14 (E) Determine the sum of the clause (D) amounts for all taxing
- 15 districts in the county.
- 16 STEP THREE: Determine the sum of the STEP ONE and STEP
- 17 TWO amounts for the county.
- 18 If the boundaries of a taxing district change after the years for which a
- 19 ratio is calculated under STEP ONE or STEP TWO, the budget agency
- 20 shall establish a ratio for the new taxing district that reflects the tax
- 21 rates imposed in the predecessor taxing districts.
- 22 SECTION 153. IC 6-9-39-5, AS AMENDED BY P.L.3-2008,
- 23 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 24 JANUARY 1, 2009 (RETROACTIVE)]: Sec. 5. (a) The fiscal body of
- 25 a county may collect a county option dog tax imposed under section 3
- 26 of this chapter by any combination of the following methods:
- 27 (1) By designating one (1) or more persons in the county to
- 28 collect the tax.
- 29 (2) By requiring a person who harbors or keeps a taxable dog to
- 30 submit a complete and accurate county option dog tax return.
- 31 (3) By a method other than a method described in subdivision (1)
- 32 or (2) as determined by the fiscal body of the county.
- 33 (b) A designee under subsection (a)(1) may retain a fee from the tax
- 34 collected for each taxable dog in an amount determined by the fiscal
- 35 body not to exceed seventy-five cents (\$0.75). A designee shall remit
- 36 the balance of the money collected to the county treasurer by the tenth
- 37 day of each month.
- 38 (c) If a fiscal body chooses to collect a county option dog tax



imposed under section 3 of this chapter by requiring the submission of a county option dog tax return under subsection (a), the county treasurer may include a county option dog tax return form with every property tax statement that is mailed **under IC 6-1.1-22-8.1** to a person ~~under IC 6-1.1-22-8.1(b)(1); other than a mortgagee maintaining an escrow account.~~

(d) The department of local government finance shall prescribe a county option dog tax return form that a county may use for the reporting of county option dog tax liability.

SECTION 154. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each ~~general~~ reassessment **of real property in an airport development zone under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the ~~general~~ reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

SECTION 155. IC 12-20-25-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 45. (a) Notwithstanding IC 6-3.5-6, after the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter and if the county option income tax is imposed under this chapter, the county fiscal body may adopt an ordinance to:

- (1) ~~increase the percentage allow~~ a credit ~~allowed~~ for homesteads in the county under ~~IC 6-1.1-20.9-2; IC 6-3.5-6-13;~~ or
- (2) reduce the county option income tax rate for resident county



1 taxpayers to a rate not less than the greater of:

2 (A) the minimum rate necessary to satisfy the requirements of  
3 section 43 of this chapter; or

4 (B) the minimum rate necessary to satisfy the requirements of  
5 sections 43 and 46(2) of this chapter if an ordinance is adopted  
6 under subdivision (1).

7 (b) A county fiscal body may not ~~increase the~~ **set a** percentage  
8 credit allowed for homesteads in such a manner that ~~more than eight~~  
9 ~~percent (8%) is added to the percentage established under~~  
10 ~~IC 6-1.1-20.9-2(d):~~ **exceeds the maximum homestead credit**  
11 **permitted under IC 6-3.5-6-13.**

12 (c) The increase in the homestead credit percentage must be uniform  
13 for all homesteads in a county.

14 (d) In an ordinance that increases the homestead credit percentage,  
15 the county fiscal body may provide for a series of increases or  
16 decreases to take place for each of a group of succeeding calendar  
17 years.

18 (e) An ordinance may be adopted under this section after January 1  
19 but before June 1 of a calendar year.

20 (f) An ordinance adopted under this section takes effect January 1  
21 of the next calendar year.

22 (g) An ordinance adopted under this section for a county is not  
23 applicable for a year if on January 1 of that year the county option  
24 income tax is not in effect.

25 SECTION 156. IC 12-20-25-46 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
27 Sec. 46. After the termination of the controlled status of all townships  
28 located in a county as provided in section 41 of this chapter, if the  
29 county adjusted gross income tax or the county option income tax is  
30 imposed under this chapter, any revenues from the county adjusted  
31 gross income tax or the county option income tax imposed under this  
32 chapter shall be distributed in the following priority:

33 (1) To satisfy the requirements of section 43 of this chapter.

34 (2) If the county option income tax imposed under this chapter is  
35 in effect, to replace the amount, if any, of property tax revenue  
36 lost due to the allowance of ~~an increased a~~ homestead credit  
37 within the county **under IC 6-3.5-6-13.**

38 (3) To be used as a certified distribution as provided in



1 IC 6-3.5-1.1 or IC 6-3.5-6, whichever applies.

2 SECTION 157. IC 12-29-1-1 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:

4 Sec. 1. (a) The county executive of a county may authorize the  
5 furnishing of financial assistance to a community mental retardation  
6 and other developmental disabilities center that is located or will be  
7 located in the county.

8 (b) Assistance authorized under this section shall be used for the  
9 following purposes:

10 (1) Constructing a center.

11 (2) Operating a center.

12 (c) Upon request of the county executive, the county fiscal body  
13 may appropriate annually from the county's general fund the money to  
14 provide financial assistance for the purposes described in subsection  
15 (b). The appropriation may not exceed the amount that could be  
16 collected from an annual tax levy of not more than three and  
17 thirty-three hundredths cents (\$0.0333) on each one hundred dollars  
18 (\$100) of taxable property within the county.

19 **(d) If a county did not provide financial assistance under this**  
20 **chapter before January 1, 2009, the county may propose a financial**  
21 **assistance budget for an ensuing calendar year. The county shall**  
22 **refer its proposed budget for the first calendar year to the**  
23 **department of local government finance before the tax levy is**  
24 **advertised. The budget for the first calendar year is subject to**  
25 **review and approval under IC 6-1.1-18.5-10.**

26 SECTION 158. IC 12-29-2-1.2 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:

28 Sec. 1.2. (a) The county executive of a county may authorize the  
29 furnishing of financial assistance for the purposes described in  
30 subsection (b) to a community mental health center that is located or  
31 will be located:

32 (1) in the county;

33 (2) anywhere in Indiana, if the community mental health center is  
34 organized to provide services to at least two (2) counties,  
35 including the county executive's county; or

36 (3) in an adjacent state, if the center is organized to provide  
37 services to Indiana residents, including residents in the county  
38 executive's county.



If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the county's general fund to provide financial assistance for the community mental health center.

(b) Assistance authorized under this section shall be used for the following purposes:

(1) Constructing a community mental health center.

(2) Operating a community mental health center.

(c) The appropriation from a county authorized under subsection (a) may not exceed the following:

~~(1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by one and five hundred four thousandths (1.504);~~

~~(2) for 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by one and five hundred four thousandths (1.504).~~

**(d) If a county did not provide financial assistance under this chapter before January 1, 2009, the county may propose a financial assistance budget for an ensuing calendar year. The county shall refer its proposed budget for the first calendar year to the department of local government finance before the tax levy is advertised. The budget for the first calendar year is subject to review and approval under IC 6-1.1-18.5-10.**

SECTION 159. IC 13-21-3-16, AS AMENDED BY P.L.189-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) The requirements of this section:

(1) are in addition to the requirements set forth in IC 6-1.1-18.5-7(b); and

(2) do not apply to a district that:

(A) owns a landfill;

(B) will use property tax revenue to:

(i) construct a new landfill cell; or

(ii) close a landfill cell;

at the landfill; and

(C) has received approval from the county fiscal body of the county in which the landfill is located to construct or close the landfill cell.

~~(b) To be eligible to include within the district's budget for the~~



1 following year tax revenue derived from the imposition of a property  
 2 tax; ~~For the first year that a property tax will be imposed and any~~  
 3 ~~subsequent year in which the proposed tax levy will increase by five~~  
 4 ~~percent (5%) or more; a by a district, the district's board must in the~~  
 5 ~~previous year~~ present identical resolutions to each of the county fiscal  
 6 bodies within the district seeking approval for the use of property tax  
 7 revenue within the district. The resolution must state the proposed  
 8 property tax levy and the proposed use of the revenue. The resolution:

9 **(1) may not be presented under this subsection before the**  
 10 **board complies with subsection (h);**

11 **(2) must be approved by a majority vote of all members of the**  
 12 **board; and**

13 **(3) must be stated so that:**

14 ~~(1)~~ **(A)** a "yes" vote indicates approval of the levy and the  
 15 proposed use of property tax revenue within the district; and

16 ~~(2)~~ **(B)** a "no" vote indicates disapproval of the levy and the  
 17 proposed use of property tax revenue within the district.

18 **(c) The following apply for the second and subsequent years in**  
 19 **which a district will impose a property tax levy:**

20 **(1) The district's proposed property tax levy and proposed**  
 21 **budget must be approved by a majority vote of all members**  
 22 **of the board.**

23 **(2) The district's proposed property tax levy and proposed**  
 24 **budget are subject to review and approval under**  
 25 **IC 6-1.1-17-20 or IC 36-3-6-9 (as applicable) if required by**  
 26 **those statutes.**

27 ~~(c)~~ **(d)** For a resolution described in subsection (b) to be approved  
 28 by the county fiscal body:

29 (1) the county fiscal body must record the vote taken on the  
 30 resolution under subsection (b) before ~~May~~ **August** 1 of the year  
 31 in which the vote was taken; and

32 (2) the recorded vote must indicate approval of the use of property  
 33 tax revenue within the district.

34 ~~(d)~~ **(e)** If all of the county fiscal bodies within a district do not  
 35 record the approval described in subsection ~~(c)~~ **(d)** before ~~May~~ **August**  
 36 1 of the year in which the vote under subsection (b) was taken, the  
 37 board may not:

38 (1) impose; or



1 (2) include within the budget of the board;  
 2 a property tax for the year following the year in which the vote was  
 3 taken.

4 ~~(e) Notwithstanding subsection (d), after the first year a tax is~~  
 5 ~~imposed under this section, the resolution required by subsection (b)~~  
 6 ~~for a district that is located in more than two (2) counties need only be~~  
 7 ~~approved by a majority of the county fiscal bodies for the counties in~~  
 8 ~~which the district is located.~~

9 (f) A district may not issue bonds to be repaid, directly or indirectly,  
 10 with money or property tax revenue of the district until a majority of  
 11 the members of each of the county fiscal bodies within a district passes  
 12 a resolution approving the bond issue.

13 **(g) Subsection (c) applies regardless of whether property taxes**  
 14 **are imposed in the district under this chapter in the immediately**  
 15 **preceding calendar year.**

16 **(h) Subject to subsection (i), a board may present a resolution**  
 17 **under subsection (b) or approve the district's proposed property**  
 18 **tax levy and proposed budget under subsection (c) only after public**  
 19 **notice and a public hearing before the board at which:**

20 **(1) all persons using facilities, owning property, or generating**  
 21 **solid waste within the district who are benefited by solid waste**  
 22 **management; and**

23 **(2) other interested persons;**  
 24 **have an opportunity to be heard concerning the proposed property**  
 25 **taxes.**

26 **(i) A board that proposes to impose:**

27 **(1) property taxes under this section; and**

28 **(2) solid waste management fees under IC 13-21-14-1;**

29 **for a calendar year shall consolidate the public hearing required by**  
 30 **subsection (h) with the public hearing required by IC 13-21-14-5.**

31 **(j) If a district will impose property taxes in the following year**  
 32 **but:**

33 **(1) the district is not required to adopt a resolution under**  
 34 **subsection (b) and present the resolution to the county fiscal**  
 35 **body for approval; and**

36 **(2) the district is not required by IC 6-1.1-17-20 or IC 36-3-6-9**  
 37 **(as applicable) to have the district's proposed budget and**  
 38 **proposed property levy reviewed and approved by the county**



1           **fiscal body;**  
 2       **the district's proposed budget and property tax levy for the**  
 3       **following year are subject to review and a nonbinding**  
 4       **recommendation by the county fiscal body under IC 6-1.1-17-3.5.**

5           SECTION 160. IC 13-21-3-21 IS AMENDED TO READ AS  
 6       FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. **(a)** Before the  
 7       board of a district may adopt an annual budget, the budget must be:

- 8           (1) approved by the department of local government finance; and
- 9           (2) sent to:
  - 10           (A) the executive; and
  - 11           (B) the fiscal body;
- 12           of each county and municipality located within the district as a
- 13           matter of record.

14           **(b) The district's annual budget must be approved by a majority**  
 15       **vote of all members of the board.**

16           SECTION 161. IC 13-21-4-6 IS AMENDED TO READ AS  
 17       FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) If a county  
 18       withdraws from or the county executives of a joint district remove a  
 19       county from a joint district, the county must:

- 20           (1) designate itself as a new county district;
- 21           (2) join one (1) or more other counties to form a new joint district;
- 22           or
- 23           (3) join an existing joint district;

24       under the procedures set forth in IC 13-21-3.

25       (b) If a county:

- 26           (1) designates itself as a new county district; or
- 27           (2) joins one (1) or more other counties to form a new joint
- 28           district;

29       the county district or new joint district shall, **after a public hearing,**  
 30       submit a district plan to the commissioner as provided under  
 31       IC 13-21-5. **If the new county district or new joint district will**  
 32       **impose property taxes in the year after designating itself as a new**  
 33       **county district or forming the new joint district, each of the county**  
 34       **fiscal bodies within the new county district or new joint district**  
 35       **must approve the use of property taxes by the district under the**  
 36       **procedures specified in IC 13-21-3-16(b) and IC 13-21-3-16(h).**

37       (c) If a county joins an existing joint district, the joint district shall,  
 38       **after a public hearing,** amend the joint district's district plan as



provided under IC 13-21-5. **If the joint district will impose property taxes in the year after a county joins the joint district, each of the county fiscal bodies within the joint district must approve the use of property taxes under the procedures specified in IC 13-21-3-16(b) and IC 13-21-3-16(h).**

(d) If a county withdraws or is removed from a joint district that consists of more than two (2) counties, the joint district shall, **after a public hearing**, amend the joint district's district plan as provided under IC 13-21-5. **If the joint district will impose property taxes in the year after a county withdraws or is removed from the joint district, each of the county fiscal bodies within the joint district must approve the use of property taxes under the procedures specified in IC 13-21-3-16(b) and IC 13-21-3-16(h).**

(e) The following apply if a joint district is dissolved or if all but one (1) of the counties participating in a joint district have withdrawn from the joint district or have been removed from the joint district:

(1) The county executive of each county that was participating in the joint district must:

(A) designate itself as a new county district;

(B) join one (1) or more other counties to form a new joint district; or

(C) join an existing joint district;

as provided in this section.

(2) In the case where all but one (1) of the counties participating in a joint district have withdrawn from the joint district or have been removed from the joint district, the county that did not withdraw or was not removed from the joint district must still comply with the requirements of subdivision (1).

(3) The following apply if the county that did not withdraw or was not removed from the joint district does not join one (1) or more other counties to form a new joint district or does not join an existing joint district:

(A) The county must designate itself as a new county district and shall be treated for purposes of this article as a new county district.

(B) The district must, after a public hearing, adopt and



1 submit to the commissioner for approval a new district  
 2 solid waste management plan that meets the requirements  
 3 of IC 13-21-5 and the criteria and other elements set forth  
 4 in the state plan. The district must follow the procedures  
 5 of IC 13-21-5 in creating and submitting the district's new  
 6 solid waste management plan.

7 (C) The district must, after a public hearing, adopt a new  
 8 budget for the district.

9 (D) If the district will impose property taxes in the  
 10 following year, the county fiscal body must approve the use  
 11 of property taxes under the procedures specified in  
 12 IC 13-21-3-16.

13 (E) The board of the district shall appoint and convene a  
 14 new solid waste management advisory committee of  
 15 citizens under IC 13-21-3-11.

16 (f) This subsection applies to a joint district if all but one (1) of  
 17 the counties participating in the joint district withdrew from the  
 18 joint district and the last county to withdraw did so effective after  
 19 December 1, 2006, and before January 1, 2009. If the county that  
 20 did not withdraw from the district did not designate itself as a new  
 21 county district, join one (1) or more other counties to form a new  
 22 joint district, or join an existing joint district, the county must take  
 23 one (1) of these actions before January 1, 2010. If the county that  
 24 did not withdraw from the district designates itself as a new county  
 25 district, the following apply:

26 (1) The county shall be treated for purposes of this article as  
 27 a new county district.

28 (2) The district must after a public hearing adopt and submit  
 29 to the commissioner for approval a new district solid waste  
 30 management plan that meets the requirements of IC 13-21-5  
 31 and the criteria and other elements set forth in the state plan.  
 32 The district must follow the procedures of IC 13-21-5 in  
 33 creating and submitting the district's new solid waste  
 34 management plan.

35 (3) The district must, after a public hearing, adopt a new  
 36 budget for the district.

37 (4) If the district will impose property taxes in the following  
 38 year, the county fiscal body must approve the use of property



1 **taxes under the procedures specified in IC 13-21-3-16.**

2 **(5) The board of the district shall appoint and convene a new**  
 3 **solid waste management advisory committee of citizens under**  
 4 **IC 13-21-3-11.**

5 SECTION 162. IC 13-21-14-1 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A board:

7 (1) may; and

8 (2) if necessary to pay principal or interest on any bonds issued  
 9 under this article or IC 13-9.5-9 (repealed), shall;

10 establish solid waste management fees in addition to fees imposed  
 11 under IC 13-21-13 or IC 13-9.5-7 (before its repeal) that apply to all  
 12 persons owning real property or generating solid waste within the  
 13 district who are benefited by solid waste management, solid waste  
 14 collection, a facility for solid waste disposal, or a facility for solid  
 15 waste processing.

16 (b) ~~The Subject to subsections (c) and (d), a board may change~~  
 17 ~~and readjust that proposes to impose fees as necessary, in the district~~  
 18 **under this section in a calendar year after 2009 must in the**  
 19 **immediately preceding calendar year approve the imposition of the**  
 20 **fees by adoption of a resolution by a majority vote of all members**  
 21 **of the board.**

22 (c) **Subsection (b) applies regardless of whether fees are imposed**  
 23 **in the district under this chapter in the immediately preceding**  
 24 **calendar year referred to in subsection (b).**

25 (d) **A board may not adopt a resolution under subsection (b)**  
 26 **before a public hearing is held under section 5 of this chapter.**

27 SECTION 163. IC 13-21-14-5 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) **Subject to**  
 29 **subsection (g),** fees shall be established only after public notice and a  
 30 public hearing before the board at which:

31 (1) all persons using facilities, owning property, or generating  
 32 solid waste within the district who are benefited by solid waste  
 33 management; and

34 (2) other interested persons;

35 have an opportunity to be heard concerning the proposed fees.

36 (b) After introduction of a resolution fixing fees and before the  
 37 resolution is adopted, public notice of the hearing, setting forth the  
 38 schedule of fees, shall be given. The hearing may be adjourned as



1 necessary.

2 (c) After the hearing the resolution establishing fees, either as  
3 originally introduced or as amended, shall be passed and put into  
4 effect.

5 (d) A copy of the schedule of fees established shall be kept:

6 (1) on file in the office of the board or the controller, secretary, or  
7 other record keeping officer of the district; and

8 (2) open to inspection by all interested persons.

9 (e) The fees established extend to cover any additional territory later  
10 served that falls within the same class without the necessity of a  
11 hearing or notice.

12 (f) **During a calendar year, a board may change or readjustment**  
13 **of readjust fees may be made first due and payable in that calendar**  
14 **year** in the same manner as the fees were originally established.

15 (g) **A board that proposes to impose:**

16 (1) **fees under this section; and**

17 (2) **property taxes under IC 13-21-3-16;**

18 **for a calendar year shall consolidate the public hearing required by**  
19 **subsection (a) with the public hearing required by**  
20 **IC 13-21-3-16(h).**

21 SECTION 164. IC 14-33-9-1, AS AMENDED BY P.L.146-2008,  
22 SECTION 428, IS AMENDED TO READ AS FOLLOWS  
23 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 1. (a)  
24 **Except as provided in IC 6-1.1-17-20,** the budget of a district:

25 (1) must be prepared and submitted:

26 (A) at the same time;

27 (B) in the same manner; and

28 (C) with notice;

29 as is required by statute for the preparation of budgets by  
30 municipalities; and

31 (2) is subject to the same review by:

32 (A) the county board of tax adjustment; and

33 (B) the department of local government finance;

34 as is required by statute for the budgets of municipalities.

35 (b) If a district is established in more than one (1) county:

36 (1) except as provided in subsection (c), the budget shall be  
37 certified to the auditor of the county in which is located the court  
38 that had exclusive jurisdiction over the establishment of the



- 1 district; and
- 2 (2) notice must be published in each county having land in the
- 3 district. Any taxpayer in the district is entitled to be heard before
- 4 the county board of tax adjustment and, after December 31, 2008,
- 5 the fiscal body of each county having jurisdiction.
- 6 (c) If one (1) of the counties in a district contains either a first or
- 7 second class city located in whole or in part in the district, the budget:
- 8 (1) shall be certified to the auditor of that county; and
- 9 (2) is subject to review at the county level only by the county
- 10 board of tax adjustment and, after December 31, 2008, the fiscal
- 11 body of that county.

12 SECTION 165. IC 14-33-9-2 IS AMENDED TO READ AS

13 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) The board shall

14 budget annually the necessary money to meet the probable expenses of

15 operation and maintenance of the district, including the following:

- 16 (1) Repairs.
- 17 (2) Fees.
- 18 (3) Salaries.
- 19 (4) Depreciation on all depreciable assets.
- 20 (5) Rents.
- 21 (6) Supplies.

22 (b) **Subject to any budget review and approval required under**

23 **this chapter**, the board ~~shall~~ **may** add **not more than** ten percent

24 (10%) of the total for contingencies.

25 SECTION 166. IC 14-33-10-3, AS AMENDED BY P.L.67-2006,

26 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

27 JULY 1, 2009]: Sec. 3. (a) An assessment not paid in full shall be paid

28 in annual installments over the time commensurate with the term of the

29 bond issue or other financing determined by resolution adopted by the

30 board. Interest shall be charged on the unpaid balance **as follows:**

- 31 **(1) If the resolution determining financing was adopted before**
- 32 **July 1, 2009**, at the same rate per year as the penalty charged on
- 33 delinquent property tax payments under IC 6-1.1-37-10(a).
- 34 **(2) If the resolution determining financing is adopted after**
- 35 **June 30, 2009**, at a rate equal to the United States Prime Rate
- 36 **published in the Wall Street Journal or its successor on the**
- 37 **date on which the resolution was adopted plus two percent**
- 38 **(2%).**



1 All payments of installments, interest, and penalties shall be entered on  
2 the assessment roll in the office of the district.

3 (b) Upon payment in full of the assessment, including interest and  
4 penalties, the board shall have the lien released and satisfied on the  
5 records in the office of the recorder of the county in which the real  
6 property assessed is located.

7 (c) The procedure for collecting assessments for maintenance and  
8 operation is the same as for the original assessment, except that the  
9 assessments may not be paid in installments.

10 SECTION 167. IC 20-23-9-5, AS ADDED BY P.L.1-2005,  
11 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JULY 1, 2009]: Sec. 5. If the department of local government finance  
13 receives a petition of appeal under section 4 of this chapter, the  
14 department of local government finance shall ~~submit the petition to the~~  
15 ~~school property tax control board established by IC 6-1.1-19-4.1~~ for  
16 **hold** a factfinding hearing.

17 SECTION 168. IC 20-23-9-6, AS ADDED BY P.L.231-2005,  
18 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 JULY 1, 2009]: Sec. 6. ~~(a) If the department of local government~~  
20 ~~finance submits a petition to the school property tax control board~~  
21 ~~under section 5 of this chapter, the school property tax control board~~  
22 ~~shall hold a factfinding hearing.~~

23 ~~(b) (a)~~ **(a)** At a **factfinding** hearing ~~described in subsection (a); under~~  
24 **section 5 of this chapter**, the **school property tax control board**  
25 **department of local government finance** shall determine the  
26 following:

27 (1) Whether the township school has made all payments required  
28 by any statute, including the following:

29 (A) P.L.32-1999.

30 (B) IC 20-23-5-12.

31 (C) The resolution or plan of annexation of the township  
32 school, including:

33 (i) any amendment to the resolution or plan;

34 (ii) any supporting or related documents; and

35 (iii) any agreement between the township school and an  
36 annexing corporation relating to the winding up of affairs of  
37 the township school.

38 (2) The amount, if any, by which the township school is in arrears



on any payment described in subdivision (1).

(3) Whether the township school has filed with the department of local government finance all reports concerning the affairs of the township school, including all transfer tuition reports required for the two (2) school years immediately preceding the date on which the township school was annexed.

~~(c)~~ **(b)** In determining the amount of arrears under ~~subsection (b)(2);~~ **subsection (a)(2)**, the ~~school property tax control board~~ **department of local government finance** shall consider all amounts due to an annexing corporation, including the following:

(1) Any transfer tuition payments due to the annexing corporation.

(2) All levies, excise tax distributions, and state distributions received by the township school and due to the annexing corporation, including levies and distributions received by the township school after the date on which the township school was annexed.

(3) All excessive levies that the township school agreed to impose and pay to an annexing corporation but failed to impose.

~~(d)~~ **(c)** If, in a hearing under this section, ~~a school property tax control board~~ **the department of local government finance** determines that a township school has:

(1) under subsection ~~(b)(1);~~ **(a)(1)**, failed to make a required payment; or

(2) under subsection ~~(b)(3);~~ **(a)(3)**, failed to file a required report; the department may act under section 7 of this chapter.

SECTION 169. IC 20-23-9-7, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) If ~~a school property tax control board~~ **the department of local government finance** makes a determination under section ~~6(d)~~ **6(c)** of this chapter, the department:

(1) may prohibit a township from:

(A) acquiring real estate;

(B) making a lease or incurring any other contractual obligation calling for an annual outlay by the township exceeding ten thousand dollars (\$10,000);

(C) purchasing personal property for a consideration greater than ten thousand dollars (\$10,000); and

(D) adopting or advertising a budget, tax levy, or tax rate for



1           any calendar year;  
 2           until the township school has made all required payments under  
 3           section ~~6(b)(1)~~ **6(a)(1)** of this chapter and filed all required  
 4           reports under section ~~6(b)(3)~~ **6(a)(3)** of this chapter; and  
 5           (2) shall certify to the treasurer of state the amount of arrears  
 6           determined under section ~~6(b)(2)~~ **6(a)(2)** of this chapter.

7           (b) Upon being notified of the amount of arrears certified under  
 8           subsection (a)(2), the treasurer of state shall make payments from the  
 9           funds of state to the extent, but not in excess, of any amounts  
 10          appropriated by the general assembly for distribution to the township  
 11          school, deducting the payments from any amount distributed to the  
 12          township school.

13          SECTION 170. IC 20-26-11-23, AS AMENDED BY P.L.146-2008,  
 14          SECTION 473, IS AMENDED TO READ AS FOLLOWS  
 15          [EFFECTIVE JULY 1, 2009]: Sec. 23. (a) If a transfer is ordered to  
 16          commence in a school year, where the transferor corporation has net  
 17          additional costs over savings (on account of any transfer ordered)  
 18          allocable to the calendar year in which the school year begins, and  
 19          where the transferee corporation does not have budgeted funds for the  
 20          net additional costs, the net additional costs may be recovered by one  
 21          (1) or more of the following methods in addition to any other methods  
 22          provided by applicable law:

23               (1) An emergency loan made under IC 20-48-1-7 to be paid, out  
 24               of the debt service levy and fund, or a loan from any state fund  
 25               made available for the net additional costs.

26               (2) An advance in the calendar year of state funds, which would  
 27               otherwise become payable to the transferee corporation after such  
 28               calendar year under law.

29               (3) A grant or grants in the calendar year from any funds of the  
 30               state made available for the net additional costs.

31           (b) The net additional costs must be certified by the department of  
 32           local government finance. ~~and any grant shall be made solely after~~  
 33           ~~affirmative recommendation of the school property tax control board.~~  
 34           Repayment of any advance or loan from the state shall be made from  
 35           state tuition support distributions or other money available to the  
 36           school corporation.

37          SECTION 171. IC 20-46-1-7, AS AMENDED BY P.L.146-2008,  
 38          SECTION 494, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2009]: Sec. 7. (a) This section applies to a school corporation that added an amount to the school corporation's base tax levy before 2002 as the result of the approval of an excessive tax levy by the majority of individuals voting in a referendum held in the area served by the school corporation under IC 6-1.1-19-4.5 (before its repeal).

(b) A school corporation may adopt a resolution before September 21, 2005, to transfer the power of the school corporation to levy the amount described in subsection (a) from the school corporation's general fund to the school corporation's fund. A school corporation that adopts a resolution under this section shall, as soon as practicable after adopting the resolution, send a certified copy of the resolution to the department of local government finance and the county auditor. A school corporation that adopts a resolution under this section may, for property taxes first due and payable after 2005, levy an additional amount for the fund that does not exceed the amount of the excessive tax levy added to the school corporation's base tax levy before 2002.

(c) The power of the school corporation to impose the levy transferred to the fund under this section expires December 31, 2012, unless:

(1) the school corporation adopts a resolution to reimpose or extend the levy; and

(2) the levy is approved, before January 1, 2013, by a majority of the individuals who vote in a referendum that is conducted in accordance with the requirements in this chapter.

As soon as practicable after adopting the resolution under subdivision (1), the school corporation shall send a certified copy of the resolution to the county auditor. ~~and the department of local government finance. Upon receipt of the certified resolution, the tax control board shall proceed in the same manner as the tax control board would for any other levy being reimposed or extended under this chapter.~~ However, if requested by the school corporation in the resolution adopted under subdivision (1), the question of reimposing or extending a levy transferred to the fund under this section may be combined with a question presented to the voters to reimpose or extend a levy initially imposed after 2001. A levy reimposed or extended under this subsection shall be treated for all purposes as a levy reimposed or extended under ~~IC 6-1.1-19-4.5(c) (before its repeal)~~ and this chapter.



1 ~~after June 30, 2006.~~

2 (d) The school corporation's levy under this section may not be  
3 considered in the determination of the school corporation's state tuition  
4 support distribution under IC 20-43 or the determination of any other  
5 property tax levy imposed by the school corporation.

6 SECTION 172. IC 20-46-1-10, AS ADDED BY P.L.2-2006,  
7 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2009]: Sec. 10. The question to be submitted to  
9 the voters in the referendum must read as follows:

10 "For the \_\_ (insert number) calendar year or years immediately  
11 following the holding of the referendum, shall the school  
12 corporation impose a property tax ~~rate that does not exceed and~~  
13 **annually raise an additional \$ \_\_\_\_\_** (insert amount)  
14 ~~cents (\$0.\_\_\_\_) (insert amount) on each one hundred dollars (\$100)~~  
15 ~~of assessed valuation and that is in addition to all other property~~  
16 ~~tax levies imposed by the school corporation's normal tuition~~  
17 ~~support tax rate?"~~. **corporation?"**.

18 SECTION 173. IC 20-46-3-5, AS ADDED BY P.L.2-2006,  
19 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2009]: Sec. 5. A school corporation may  
21 petition the ~~tax control board~~ **department of local government**  
22 **finance** to impose a property tax to raise revenue for the purposes of  
23 the fund. However, before a school corporation may impose a property  
24 tax under this chapter, the school corporation must file a petition with  
25 the ~~tax control board~~ **department of local government finance** under  
26 IC 6-1.1-19. The petition must be filed before June 1 of the year  
27 preceding the first year the school corporation desires to impose the  
28 property tax and must include the following:

- 29 (1) The name of the school corporation.
- 30 (2) A settlement agreement among the parties to a desegregation  
31 lawsuit that includes the program that will improve or maintain  
32 racial balance in the school corporation.
- 33 (3) The proposed levy.
- 34 (4) Any other item required by the ~~school property tax control~~  
35 **board department of local government finance**.

36 SECTION 174. IC 20-46-3-6, AS ADDED BY P.L.2-2006,  
37 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
38 [EFFECTIVE JULY 1, 2009]: Sec. 6. Subject to IC 6-1.1-18.5-9.9, the



1 ~~tax control board may recommend to the~~ department of local  
 2 government finance ~~that a~~ **may allow a** school corporation ~~be allowed~~  
 3 to establish a levy. The amount of the levy shall be determined each  
 4 year and the levy may not exceed the lesser of the following:

5 (1) The revenue derived from a tax rate of eight and thirty-three  
 6 hundredths cents (\$0.0833) for each one hundred dollars (\$100)  
 7 of assessed valuation within the school corporation.

8 (2) The revenue derived from a tax rate equal to the difference  
 9 between the maximum rate allowed for the school corporation's  
 10 capital projects fund under IC 20-46-6 minus the actual capital  
 11 projects fund rate that will be in effect for the school corporation  
 12 for a particular year.

13 SECTION 175. IC 20-46-3-7, AS ADDED BY P.L.2-2006,  
 14 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2009]: Sec. 7. The department of local  
 16 government finance shall review the petition of the school corporation  
 17 ~~and the recommendation of the tax control board~~ and:

- 18 (1) disapprove the petition if the petition does not comply with  
 19 this section;  
 20 (2) approve the petition; or  
 21 (3) approve the petition with modifications.

22 SECTION 176. IC 20-46-4-6, AS AMENDED BY P.L.234-2007,  
 23 SECTION 263, IS AMENDED TO READ AS FOLLOWS  
 24 [EFFECTIVE JULY 1, 2009]: Sec. 6. The levy may not exceed the  
 25 amount determined by multiplying:

26 (1) the school corporation's levy for the fund for the previous year  
 27 under IC 21-2-11.5 (before its repeal) or this chapter, as that levy  
 28 was determined by the department of local government finance in  
 29 fixing the ~~civil taxing unit's~~ **school corporation's** budget, levy,  
 30 and rate for that preceding calendar year under IC 6-1.1-17 and  
 31 after eliminating the effects of temporary excessive levy appeals  
 32 and any other temporary adjustments made to the levy for the  
 33 calendar year; by

34 (2) the assessed value growth quotient determined under  
 35 IC 6-1.1-18.5-2.

36 SECTION 177. IC 20-46-5-9, AS ADDED BY P.L.2-2006,  
 37 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2009]: Sec. 9. After reviewing the plan, the



1 department of local government finance shall certify its approval,  
 2 disapproval, or modification of the plan to the governing body and the  
 3 county auditor of the county. ~~The department of local government~~  
 4 ~~finance may seek the recommendation of the tax control board with~~  
 5 ~~respect to this determination.~~ The action of the department of local  
 6 government finance with respect to the plan is final.

7 SECTION 178. IC 20-46-6-15, AS ADDED BY P.L.2-2006,  
 8 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
 9 [EFFECTIVE JULY 1, 2009]: Sec. 15. After a hearing on the petition  
 10 under section 14 of this chapter, the department of local government  
 11 finance shall certify its approval, disapproval, or modification of the  
 12 plan to the governing body and the county auditor of the county. ~~The~~  
 13 ~~department of local government finance may seek the recommendation~~  
 14 ~~of the tax control board with respect to the department of local~~  
 15 ~~government finance's determination.~~

16 SECTION 179. IC 20-46-7-11, AS AMENDED BY P.L.146-2008,  
 17 SECTION 513, IS AMENDED TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) The department of local  
 19 government finance in determining whether to approve or disapprove  
 20 a school building construction project ~~and the tax control board in~~  
 21 ~~determining whether to recommend approval or disapproval of a school~~  
 22 ~~building construction project~~ shall consider the following factors:

- 23 (1) The current and proposed square footage of school building
- 24 space per student.
- 25 (2) Enrollment patterns within the school corporation.
- 26 (3) The age and condition of the current school facilities.
- 27 (4) The cost per square foot of the school building construction
- 28 project.
- 29 (5) The effect that completion of the school building construction
- 30 project would have on the school corporation's tax rate.
- 31 (6) Any other pertinent matter.

32 (b) The authority of the department of local government finance to  
 33 determine whether to approve or disapprove a school building  
 34 construction project does not after June 30, 2008, include the authority  
 35 to review or approve the financing of the school building construction  
 36 project.

37 SECTION 180. IC 20-49-2-9, AS ADDED BY P.L.2-2006,  
 38 SECTION 172, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2009]: Sec. 9. A nondisaster advancement to any school corporation under section 10 of this chapter may not exceed two hundred fifty thousand dollars (\$250,000). However, this dollar limitation is waived if:

(1) the school corporation has an ~~adjusted~~ assessed valuation per ADA of less than eight thousand four hundred dollars (\$8,400);

**and**

(2) the school corporation's debt service fund tax rate would exceed one dollar (\$1) for each one hundred dollars (\$100) of assessed valuation without a waiver of the dollar limitation. ~~and~~

~~(3) the school property tax control board recommends a waiver of the limitation.~~

SECTION 181. IC 20-49-2-10, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. The state board shall make nondisaster advancements to school corporations under this chapter only when the following conditions exist:

(1) The school buildings and classrooms of any school corporation are not adequate for the proper education of the students in that public school or school corporation, and the school corporation is unable to finance the construction, remodeling, or repair of the necessary classrooms under existing debt and tax limitations without undue financial hardship.

(2) The school corporation has issued its bonds to construct, remodel, or repair schools and school buildings in ninety percent (90%) of the maximum amount allowable under the Constitution of the State of Indiana and Indiana law.

(3) The school corporation does not have funds available for the construction, remodeling, or repair of school buildings and classrooms sufficient to meet the requirements for the proper education of the school corporation's students.

~~(4) The school corporation has established and maintained a property tax levy in the amount of at least sixteen and sixty-seven hundredths cents (\$0.1667) on each one hundred dollars (\$100) of taxable property within the school corporation for school building purposes continuously for three (3) years before the time when the school corporation makes an application to the state board for an advancement.~~



SECTION 182. IC 20-49-4-7, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. As used in this chapter, "school building construction program" means the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation:

(1) that sustained a loss from a disaster;

(2) whose ~~adjusted~~ assessed valuation (~~as determined under IC 6-1.1-34-8~~) per ADM is within the lowest forty percent (40%) of the assessed valuation per ADM when compared with all school corporation ~~adjusted~~ assessed valuation (~~as determined under IC 6-1.1-34-8~~) per ADM; or

(3) with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%).

The term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

SECTION 183. IC 20-49-4-9, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. Priority of advances for school building construction programs shall be made to school corporations that have the least amount of ~~adjusted~~ assessed valuation (~~as determined under IC 6-1.1-34-8~~) per student in ADM.

SECTION 184. IC 21-34-10-7, AS ADDED BY P.L.2-2007, SECTION 275, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. Bonds may be issued by the board of trustees of a state educational institution without the approval of the general assembly to finance a qualified energy savings project if annual operating savings to the state educational institution arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year. However, the amount of bonds outstanding for the state educational institution at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed ~~ten million dollars (\$10,000,000)~~. **fifteen million dollars (\$15,000,000).**



SECTION 185. IC 33-26-8-1, AS AMENDED BY P.L.1-2007, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. As used in this chapter, "contractor" means a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment contractor of the department of local government finance under IC 6-1.1-4-32 (repealed).

SECTION 186. IC 33-26-8-3, AS AMENDED BY P.L.1-2007, SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. As used in this chapter, "qualifying official" refers to any of the following:

- (1) A county assessor of a qualifying county.
- (2) A township assessor of a qualifying county.
- (3) The county auditor of a qualifying county.
- (4) The treasurer of a qualifying county.
- (5) The county surveyor of a qualifying county.
- (6) A member of the land valuation committee in a qualifying county.
- (7) Any other township or county official in a qualifying county who has possession or control of information necessary or useful for a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment of property to which IC 6-1.1-4-32 (repealed) applies, including information in the possession or control of an employee or a contractor of the official.
- (8) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted for payment under IC 6-1.1-4-32 (repealed).

SECTION 187. IC 36-2-7-13, AS AMENDED BY P.L.146-2008, SECTION 691, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in ~~general~~ reassessment activities **under a county's reassessment plan**. This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county.

SECTION 188. IC 36-3-1-5.1, AS AMENDED BY P.L.216-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.1. (a) Except for those duties that are reserved



1 by law to the county sheriff in this section, the city-county legislative  
 2 body may by majority vote adopt an ordinance, approved by the mayor,  
 3 to consolidate the police department of the consolidated city and the  
 4 county sheriff's department.

5 (b) The city-county legislative body may not adopt an ordinance  
 6 under this section unless it first:

7 (1) holds a public hearing on the proposed consolidation; and

8 (2) determines that:

9 (A) reasonable and adequate police protection can be provided  
 10 through the consolidation; and

11 (B) the consolidation is in the public interest.

12 (c) If an ordinance is adopted under this section, the consolidation  
 13 shall take effect on the date specified in the ordinance.

14 (d) Notwithstanding any other law, an ordinance adopted under this  
 15 section must provide that the county sheriff's department shall be  
 16 responsible for all the following for the consolidated city and the  
 17 county under the direction and control of the sheriff:

18 (1) County jail operations and facilities.

19 (2) Emergency communications.

20 (3) Security for buildings and property owned by:

21 (A) the consolidated city;

22 (B) the county; or

23 (C) both the consolidated city and county.

24 (4) Service of civil process and collection of taxes under tax  
 25 warrants.

26 (5) Sex and violent offender registration.

27 (e) The following apply if an ordinance is adopted under this  
 28 section:

29 (1) The department of local government finance ~~on~~  
 30 ~~recommendation from the local government tax control board;~~  
 31 shall adjust the maximum permissible ad valorem property tax  
 32 levy of the consolidated city and the county for property taxes first  
 33 due and payable in the year a consolidation takes effect under this  
 34 section. When added together, the adjustments under this  
 35 subdivision must total zero (0).

36 (2) The ordinance must specify which law enforcement officers  
 37 of the police department and which law enforcement officers of  
 38 the county sheriff's department shall be law enforcement officers



- 1 of the consolidated law enforcement department.
- 2 (3) The ordinance may not prohibit the providing of law  
3 enforcement services for an excluded city under an interlocal  
4 agreement under IC 36-1-7.
- 5 (4) A member of the county police force who:
- 6 (A) was an employee beneficiary of the sheriff's pension trust  
7 before the consolidation of the law enforcement departments;  
8 and  
9 (B) after the consolidation becomes a law enforcement officer  
10 of the consolidated law enforcement department;  
11 remains an employee beneficiary of the sheriff's pension trust.  
12 The member retains, after the consolidation, credit in the sheriff's  
13 pension trust for service earned while a member of the county  
14 police force and continues to earn service credit in the sheriff's  
15 pension trust as a member of the consolidated law enforcement  
16 department for purposes of determining the member's benefits  
17 from the sheriff's pension trust.
- 18 (5) A member of the police department of the consolidated city  
19 who:
- 20 (A) was a member of the 1953 fund or the 1977 fund before  
21 the consolidation of the law enforcement departments; and  
22 (B) after the consolidation becomes a law enforcement officer  
23 of the consolidated law enforcement department;  
24 remains a member of the 1953 fund or the 1977 fund. The  
25 member retains, after the consolidation, credit in the 1953 fund or  
26 the 1977 fund for service earned while a member of the police  
27 department of the consolidated city and continues to earn service  
28 credit in the 1953 fund or the 1977 fund as a member of the  
29 consolidated law enforcement department for purposes of  
30 determining the member's benefits from the 1953 fund or the  
31 1977 fund.
- 32 (6) The ordinance must designate the merit system that shall  
33 apply to the law enforcement officers of the consolidated law  
34 enforcement department.
- 35 (7) The ordinance must designate who shall serve as a coapplicant  
36 for a warrant or an extension of a warrant under IC 35-33.5-2.
- 37 (8) The consolidated city may levy property taxes within the  
38 consolidated city's maximum permissible ad valorem property tax



1 levy limit to provide for the payment of the expenses for the  
 2 operation of the consolidated law enforcement department. The  
 3 police special service district established under section 6 of this  
 4 chapter may levy property taxes to provide for the payment of  
 5 expenses for the operation of the consolidated law enforcement  
 6 department within the territory of the police special service  
 7 district. Property taxes to fund the pension obligation under  
 8 IC 36-8-7.5 may be levied only by the police special service  
 9 district within the police special service district. The consolidated  
 10 city may not levy property taxes to fund the pension obligation  
 11 under IC 36-8-7.5. Property taxes to fund the pension obligation  
 12 under IC 36-8-8 for members of the 1977 police officers' and  
 13 firefighters' pension and disability fund who were members of the  
 14 police department of the consolidated city on the effective date of  
 15 the consolidation may be levied only by the police special service  
 16 district within the police special service district. Property taxes to  
 17 fund the pension obligation under IC 36-8-10 for members of the  
 18 sheriff's pension trust and under IC 36-8-8 for members of the  
 19 1977 police officers' and firefighters' pension and disability fund  
 20 who were not members of the police department of the  
 21 consolidated city on the effective date of the consolidation may be  
 22 levied by the consolidated city within the consolidated city's  
 23 maximum permissible ad valorem property tax levy. The assets of  
 24 the consolidated city's 1953 fund and the assets of the sheriff's  
 25 pension trust may not be pledged after the effective date of the  
 26 consolidation as collateral for any loan.

27 (9) The executive of the consolidated city shall provide for an  
 28 independent evaluation and performance audit, due before March  
 29 1 of the year following the adoption of the consolidation  
 30 ordinance and for the following two (2) years, to determine:

31 (A) the amount of any cost savings, operational efficiencies, or  
 32 improved service levels; and

33 (B) any tax shifts among taxpayers;

34 that result from the consolidation. The independent evaluation  
 35 and performance audit must be provided to the legislative council  
 36 in an electronic format under IC 5-14-6 and to the budget  
 37 committee.

38 SECTION 189. IC 36-3-6-9, AS AMENDED BY P.L.146-2008,



SECTION 705, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2008 (RETROACTIVE)]: Sec. 9. (a) **Except as provided in subsection (d)**, the city-county legislative body shall review the proposed operating and maintenance budgets and tax levies and adopt final operating and maintenance budgets and tax levies for each of the following entities in the county:

- (1) An airport authority operating under IC 8-22-3.
- (2) A public library operating under IC 36-12.
- (3) A capital improvement board of managers operating under IC 36-10.
- (4) A public transportation corporation operating under IC 36-9-4.
- (5) A health and hospital corporation established under IC 16-22-8.
- (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is located in the county and has a governing body that is not comprised of a majority of officials who are elected to serve on the governing body.

Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.

(b) The board of each entity listed in subsection (a) shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.

(c) The city-county legislative body **or, when subsection (d) applies, the fiscal body of an excluded city or town** shall review the issuance of bonds of an entity listed in subsection (a). Approval of the city-county legislative body **or, when subsection (d) applies, the fiscal body of an excluded city or town** is required for the issuance of bonds. The city-county legislative body **or the fiscal body of an excluded city or town** may not reduce or modify a budget or tax levy of an entity listed in subsection (a) in a manner that would:

- (1) limit or restrict the rights vested in the entity to fulfill the terms of any agreement made with the holders of the entity's bonds; or
- (2) in any way impair the rights or remedies of the holders of the entity's bonds.

(d) If the assessed valuation of a taxing unit is entirely contained



1 within an excluded city or town (as described in IC 36-3-1-7) that is  
 2 located in a county having a consolidated city, the governing body of  
 3 the taxing unit shall submit its proposed operating and maintenance  
 4 budget and tax levies to the city or town fiscal body for approval **and**  
 5 **not the city-county legislative body. Except as provided in**  
 6 **subsection (c), the fiscal body of the excluded city or town may**  
 7 **reduce or modify but not increase a proposed operating and**  
 8 **maintenance budget or tax levy under this section.**

9 SECTION 190. IC 36-4-3-4, AS AMENDED BY P.L.111-2005,  
 10 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2009]: Sec. 4. (a) The legislative body of a municipality may,  
 12 by ordinance, annex any of the following:

13 (1) Territory that is contiguous to the municipality.

14 (2) Territory that is not contiguous to the municipality and is  
 15 occupied by a municipally owned or operated airport or landing  
 16 field.

17 (3) Territory that is not contiguous to the municipality but is  
 18 found by the legislative body to be occupied by a municipally  
 19 owned or regulated sanitary landfill, golf course, or hospital.  
 20 However, if territory annexed under this subsection ceases to be  
 21 used as a municipally owned or regulated sanitary landfill, golf  
 22 course, or hospital for at least one (1) year, the territory reverts to  
 23 the jurisdiction of the unit having jurisdiction before the  
 24 annexation if the unit that had jurisdiction over the territory still  
 25 exists. If the unit no longer exists, the territory reverts to the  
 26 jurisdiction of the unit that would currently have jurisdiction over  
 27 the territory if the annexation had not occurred. The clerk of the  
 28 municipality shall notify the offices required to receive notice of  
 29 a disannexation under section 19 of this chapter when the territory  
 30 reverts to the jurisdiction of the unit having jurisdiction before the  
 31 annexation.

32 (b) This subsection applies to municipalities in a county having a  
 33 population of:

34 (1) more than seventy-three thousand (73,000) but less than  
 35 seventy-four thousand (74,000);

36 (2) more than seventy-one thousand four hundred (71,400) but  
 37 less than seventy-three thousand (73,000);

38 (3) more than seventy thousand (70,000) but less than



1           seventy-one thousand (71,000);  
 2           (4) more than forty-five thousand (45,000) but less than forty-five  
 3           thousand nine hundred (45,900);  
 4           (5) more than forty thousand nine hundred (40,900) but less than  
 5           forty-one thousand (41,000);  
 6           (6) more than thirty-eight thousand (38,000) but less than  
 7           thirty-nine thousand (39,000);  
 8           (7) more than thirty thousand (30,000) but less than thirty  
 9           thousand seven hundred (30,700);  
 10          (8) more than twenty-three thousand five hundred (23,500) but  
 11          less than twenty-four thousand (24,000); ~~or~~  
 12          (9) more than one hundred eighty-two thousand seven hundred  
 13          ninety (182,790) but less than three hundred thousand (300,000);  
 14          **or**  
 15          **(10) more than thirty-four thousand nine hundred fifty**  
 16          **(34,950) but less than thirty-six thousand (36,000).**

17       Except as provided in subsection (c), the legislative body of a  
 18       municipality to which this subsection applies may, by ordinance, annex  
 19       territory that is not contiguous to the municipality, has its entire area  
 20       not more than two (2) miles from the municipality's boundary, is to be  
 21       used for an industrial park containing one (1) or more businesses, and  
 22       is either owned by the municipality or by a property owner who  
 23       consents to the annexation. However, if territory annexed under this  
 24       subsection is not used as an industrial park within five (5) years after  
 25       the date of passage of the annexation ordinance, or if the territory  
 26       ceases to be used as an industrial park for at least one (1) year, the  
 27       territory reverts to the jurisdiction of the unit having jurisdiction before  
 28       the annexation if the unit that had jurisdiction over the territory still  
 29       exists. If the unit no longer exists, the territory reverts to the  
 30       jurisdiction of the unit that would currently have jurisdiction over the  
 31       territory if the annexation had not occurred. The clerk of the  
 32       municipality shall notify the offices entitled to receive notice of a  
 33       disannexation under section 19 of this chapter when the territory  
 34       reverts to the jurisdiction of the unit having jurisdiction before the  
 35       annexation.

36       (c) A city in a county with a population of more than two hundred  
 37       thousand (200,000) but less than three hundred thousand (300,000)  
 38       may not annex territory as prescribed in subsection (b) until the



1 territory is zoned by the county for industrial purposes.

2 (d) Notwithstanding any other law, territory that is annexed under  
3 subsection (b) or (h) is not considered a part of the municipality for the  
4 purposes of:

5 (1) annexing additional territory:

6 (A) in a county that is not described by clause (B); or

7 (B) in a county having a population of more than two hundred  
8 thousand (200,000) but less than three hundred thousand

9 (300,000), unless the boundaries of the noncontiguous territory  
10 become contiguous to the city, as allowed by Indiana law;

11 (2) expanding the municipality's extraterritorial jurisdictional  
12 area; or

13 (3) changing an assigned service area under IC 8-1-2.3-6(1).

14 (e) As used in this section, "airport" and "landing field" have the  
15 meanings prescribed by IC 8-22-1.

16 (f) As used in this section, "hospital" has the meaning prescribed by  
17 IC 16-18-2-179(b).

18 (g) An ordinance adopted under this section must assign the  
19 territory annexed by the ordinance to at least one (1) municipal  
20 legislative body district.

21 (h) This subsection applies to a city having a population of more  
22 than thirty-one thousand (31,000) but less than thirty-two thousand  
23 (32,000). The legislative body of a city may, by ordinance, annex  
24 territory that:

25 (1) is not contiguous to the city;

26 (2) has its entire area not more than eight (8) miles from the city's  
27 boundary;

28 (3) does not extend more than:

29 (A) one and one-half (1 1/2) miles to the west;

30 (B) three-fourths (3/4) mile to the east;

31 (C) one-half (1/2) mile to the north; or

32 (D) one-half (1/2) mile to the south;

33 of an interchange of an interstate highway (as designated by the  
34 federal highway authorities) and a state highway (as designated  
35 by the state highway authorities); and

36 (4) is owned by the city or by a property owner that consents to  
37 the annexation.

38 SECTION 191. IC 36-6-8-5, AS AMENDED BY P.L.146-2008,



1 SECTION 717, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) When performing the  
 3 real property reassessment duties **under a county's reassessment plan**  
 4 **as** prescribed by IC 6-1.1-4, a township assessor may receive per diem  
 5 compensation, in addition to salary, at a rate fixed by the county fiscal  
 6 body, for each day that the assessor is engaged in reassessment  
 7 activities.

8 (b) Subsection (a) applies regardless of whether professional  
 9 assessing services are provided to a township under contract.

10 SECTION 192. IC 36-7-12-27, AS AMENDED BY P.L.146-2008,  
 11 SECTION 722, IS AMENDED TO READ AS FOLLOWS  
 12 [EFFECTIVE JULY 1, 2009]: Sec. 27. (a) Bonds issued by a unit under  
 13 section 25 of this chapter may be issued as serial bonds, term bonds, or  
 14 a combination of both types. The ordinance of the fiscal body  
 15 authorizing bonds, notes, or warrants, or the financing agreement or the  
 16 trust indenture approved by the ordinance, must provide:

- 17 (1) the manner of their execution, either by the manual or
- 18 facsimile signatures of the executive of the unit and the clerk of
- 19 the fiscal body;
- 20 (2) their date;
- 21 (3) their term or terms, which may not exceed forty (40) years,
- 22 except as otherwise provided by subsection (e);
- 23 (4) their maximum interest rate if fixed rates are used or the
- 24 manner in which the interest rate will be determined if variable or
- 25 adjustable rates are used;
- 26 (5) their denominations;
- 27 (6) their form, either coupon or registered;
- 28 (7) their registration privileges;
- 29 (8) the medium of their payment;
- 30 (9) the place or places of their payment;
- 31 (10) the terms of their redemption; and
- 32 (11) any other provisions not inconsistent with this chapter.

33 (b) Bonds, notes, or warrants issued under section 25 of this chapter  
 34 may be sold at public or private sale for the price or prices, in the  
 35 manner, and at the time or times determined by the unit. The unit may  
 36 advance all expenses, premiums, and commissions that it considers  
 37 necessary or advantageous in connection with their issuance.

38 (c) The bonds, notes, or warrants and their authorization, issuance,



1 sale, and delivery are not subject to any general statute concerning  
2 bonds, notes, or warrants of units.

3 (d) An action to contest the validity of bonds, notes, or warrants  
4 issued under section 25 of this chapter may not be commenced more  
5 than thirty (30) days after the adoption of the ordinance approving them  
6 under section 25 of this chapter.

7 (e) This subsection applies only to bonds, notes, or warrants issued  
8 under this chapter after June 30, 2008, that are wholly or partially  
9 payable from tax increment revenues derived from property taxes. The  
10 maximum term or repayment period for the bonds, notes, or warrants  
11 may not exceed:

12 (1) twenty-five (25) years **after the date of their issuance**, unless  
13 the bonds, notes, or warrants were:

14 (A) issued or entered into before July 1, 2008;

15 (B) issued or entered into after June 30, 2008, but authorized  
16 by a resolution adopted before July 1, 2008; or

17 (C) issued or entered into after June 30, 2008, in order to  
18 fulfill the terms of agreements or pledges entered into before  
19 July 1, 2008, with the holders of the bonds, notes, warrants, or  
20 other contractual obligations by or with developers, lenders, or  
21 units, or otherwise prevent an impairment of the rights or  
22 remedies of the holders of the bonds, notes, warrants, or other  
23 contractual obligations; or

24 (2) thirty (30) years **after the date of their issuance**, if the bonds,  
25 notes, or warrants were issued after June 30, 2008, to finance:

26 (A) an integrated coal gasification powerplant (as defined by  
27 IC 6-3.1-29-6);

28 (B) a part of an integrated coal gasification powerplant (as  
29 defined by IC 6-3.1-29-6); or

30 (C) property used in the operation or maintenance of an  
31 integrated coal gasification powerplant (as defined by  
32 IC 6-3.1-29-6);

33 that received a certificate of public convenience and necessity  
34 from the Indiana utility regulatory commission under IC 8-1-8.5  
35 et seq. before July 1, 2008.

36 (f) The general assembly makes the following findings of fact with  
37 respect to an integrated coal gasification powerplant (as defined in  
38 IC 6-3.1-29-6) that received a certificate of public convenience and



necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008:

(1) The health, safety, general welfare, and economic and energy security of the people of the state of Indiana require as a public purpose of the state the promotion of clean energy, including clean coal, technologies in Indiana.

(2) These technologies include the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14.

(3) Investment in the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14 will result in substantial financial and other benefits to the state and its political subdivisions and the people of Indiana, including increased employment, tax revenue, and use of Indiana coal.

(4) It is in the best interest of the state and its citizens to promote and preserve financial and other incentives for the integrated coal gasification powerplant.

SECTION 193. IC 36-7-14-25.1, AS AMENDED BY P.L.146-2008, SECTION 732, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of these sources, the redevelopment commission may, by resolution and subject to subsection (p), issue the bonds of the special taxing district in the name of the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

(1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

(2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted by this chapter and a debt service reserve for the bonds to the extent the redevelopment



commission determines that a reserve is reasonably required; and  
 (4) expenses that the redevelopment commission is required or  
 permitted to pay under IC 8-23-17.

(b) If the redevelopment commission plans to acquire different  
 parcels of land or let different contracts for redevelopment work at  
 approximately the same time, whether under one (1) or more  
 resolutions, the commission may provide for the total cost in one (1)  
 issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and  
 negotiable, subject to the requirements of the bond resolution for  
 registering the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

(2) the place or places at which the bonds are payable; and

(3) the term of the bonds, which may not exceed:

(A) fifty (50) years **after the date of their issuance**, for bonds  
 issued before July 1, 2008;

(B) thirty (30) years **after the date of their issuance**, for  
 bonds issued after June 30, 2008, to finance:

(i) an integrated coal gasification powerplant (as defined in  
 IC 6-3.1-29-6);

(ii) a part of an integrated coal gasification powerplant (as  
 defined in IC 6-3.1-29-6); or

(iii) property used in the operation or maintenance of an  
 integrated coal gasification powerplant (as defined in  
 IC 6-3.1-29-6);

that received a certificate of public convenience and necessity  
 from the Indiana utility regulatory commission under  
 IC 8-1-8.5 et seq. before July 1, 2008; or

(C) twenty-five (25) years, for bonds issued after June 30,  
 2008, that are not described in clause (B).

The resolution may also state that the bonds are redeemable before  
 maturity with or without a premium, as determined by the  
 redevelopment commission.

(d) The redevelopment commission shall certify a copy of the  
 resolution authorizing the bonds to the municipal or county fiscal  
 officer, who shall then prepare the bonds, subject to subsection (p). The  
 seal of the unit must be impressed on the bonds, or a facsimile of the  
 seal must be printed on the bonds.



1 (e) The bonds must be executed by the appropriate officer of the  
2 unit and attested by the municipal or county fiscal officer.

3 (f) The bonds are exempt from taxation for all purposes.

4 (g) The municipal or county fiscal officer shall give notice of the  
5 sale of the bonds by publication in accordance with IC 5-3-1. The  
6 municipal fiscal officer, or county fiscal officer or executive, shall sell  
7 the bonds to the highest bidder, but may not sell them for less than  
8 ninety-seven percent (97%) of their par value. However, bonds payable  
9 solely or in part from tax proceeds allocated under section 39(b)(2) of  
10 this chapter, or other revenues of the district may be sold at a private  
11 negotiated sale.

12 (h) Except as provided in subsection (i), a redevelopment  
13 commission may not issue the bonds when the total issue, including  
14 bonds already issued and to be issued, exceeds two percent (2%) of the  
15 adjusted value of the taxable property in the special taxing district, as  
16 determined under IC 36-1-15.

17 (i) The bonds are not a corporate obligation of the unit but are an  
18 indebtedness of the taxing district. The bonds and interest are payable,  
19 as set forth in the bond resolution of the redevelopment commission:

20 (1) from a special tax levied upon all of the property in the taxing  
21 district, as provided by section 27 of this chapter;

22 (2) from the tax proceeds allocated under section 39(b)(2) of this  
23 chapter;

24 (3) from other revenues available to the redevelopment  
25 commission; or

26 (4) from a combination of the methods stated in subdivisions (1)  
27 through (3).

28 If the bonds are payable solely from the tax proceeds allocated under  
29 section 39(b)(2) of this chapter, other revenues of the redevelopment  
30 commission, or any combination of these sources, they may be issued  
31 in any amount without limitation.

32 (j) Proceeds from the sale of bonds may be used to pay the cost of  
33 interest on the bonds for a period not to exceed five (5) years from the  
34 date of issuance.

35 (k) All laws relating to the giving of notice of the issuance of bonds,  
36 the giving of notice of a hearing on the appropriation of the proceeds  
37 of the bonds, the right of taxpayers to appear and be heard on the  
38 proposed appropriation, and the approval of the appropriation by the



department of local government finance apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to:

(1) the filing of petitions requesting the issuance of bonds; and

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

apply to bonds issued under this chapter except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be:

(1) deposited in the allocation fund established under section 39(b)(2) of this chapter; and

(2) to the extent permitted by law, transferred to the county or municipality that established the department of redevelopment for use in reducing the county's or municipality's property tax levies for debt service.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the



1 duties of the redevelopment commission. The redevelopment  
 2 commission may establish fees and charges for the use of any project  
 3 and covenant with the owners of any bonds to set those fees and  
 4 charges at a rate sufficient to protect the interest of the owners of the  
 5 bonds. Any revenue bonds issued by the redevelopment commission  
 6 that are payable solely from revenues of the commission shall contain  
 7 a statement to that effect in the form of bond.

8 (p) If the total principal amount of bonds authorized by a resolution  
 9 of the redevelopment commission adopted before July 1, 2008, is equal  
 10 to or greater than three million dollars (\$3,000,000), the bonds may not  
 11 be issued without the approval, by resolution, of the legislative body of  
 12 the unit. Bonds authorized in any principal amount by a resolution of  
 13 the redevelopment commission adopted after June 30, 2008, may not  
 14 be issued without the approval of the legislative body of the unit.

15 SECTION 194. IC 36-7-14-25.2, AS AMENDED BY P.L.146-2008,  
 16 SECTION 733, IS AMENDED TO READ AS FOLLOWS  
 17 [EFFECTIVE JULY 1, 2009]: Sec. 25.2. (a) A redevelopment  
 18 commission may enter into a lease of any property that could be  
 19 financed with the proceeds of bonds issued under this chapter with a  
 20 lessor for a term not to exceed:

21 (1) fifty (50) years **after the date of their issuance**, for a lease  
 22 entered into before July 1, 2008; or

23 (2) twenty-five (25) years **after the date of their issuance**, for a  
 24 lease entered into after June 30, 2008.

25 The lease may provide for payments to be made by the redevelopment  
 26 commission from special benefits taxes levied under section 27 of this  
 27 chapter, taxes allocated under section 39 of this chapter, any other  
 28 revenues available to the redevelopment commission, or any  
 29 combination of these sources.

30 (b) A lease may provide that payments by the redevelopment  
 31 commission to the lessor are required only to the extent and only for the  
 32 period that the lessor is able to provide the leased facilities in  
 33 accordance with the lease. The terms of each lease must be based upon  
 34 the value of the facilities leased and may not create a debt of the unit  
 35 or the district for purposes of the Constitution of the State of Indiana.

36 (c) A lease may be entered into by the redevelopment commission  
 37 only after a public hearing by the redevelopment commission at which  
 38 all interested parties are provided the opportunity to be heard. After the



1 public hearing, the redevelopment commission may adopt a resolution  
2 authorizing the execution of the lease on behalf of the unit if it finds  
3 that the service to be provided throughout the term of the lease will  
4 serve the public purpose of the unit and is in the best interests of its  
5 residents. Any lease approved by a resolution of the redevelopment  
6 commission must be approved by an ordinance of the fiscal body of the  
7 unit.

8 (d) Upon execution of a lease providing for payments by the  
9 redevelopment commission in whole or in part from the levy of special  
10 benefits taxes under section 27 of this chapter and upon approval of the  
11 lease by the unit's fiscal body, the redevelopment commission shall  
12 publish notice of the execution of the lease and its approval in  
13 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the  
14 redevelopment district who will be affected by the lease and who may  
15 be of the opinion that no necessity exists for the execution of the lease  
16 or that the payments provided for in the lease are not fair and  
17 reasonable may file a petition in the office of the county auditor within  
18 thirty (30) days after the publication of the notice of execution and  
19 approval. The petition must set forth the petitioners' names, addresses,  
20 and objections to the lease and the facts showing that the execution of  
21 the lease is unnecessary or unwise or that the payments provided for in  
22 the lease are not fair and reasonable, as the case may be.

23 (e) Upon the filing of the petition, the county auditor shall  
24 immediately certify a copy of it, together with such other data as may  
25 be necessary in order to present the questions involved, to the  
26 department of local government finance. Upon receipt of the certified  
27 petition and information, the department of local government finance  
28 shall fix a time and place for a hearing in the redevelopment district,  
29 which must be not less than five (5) or more than thirty (30) days after  
30 the time is fixed. Notice of the hearing shall be given by the department  
31 of local government finance to the members of the fiscal body, to the  
32 redevelopment commission, and to the first fifty (50) petitioners on the  
33 petition by a letter signed by the commissioner or deputy commissioner  
34 of the department and enclosed with fully prepaid postage sent to those  
35 persons at their usual place of residence, at least five (5) days before  
36 the date of the hearing. The decision of the department of local  
37 government finance on the appeal, upon the necessity for the execution  
38 of the lease, and as to whether the payments under it are fair and



1 reasonable, is final.

2 (f) A redevelopment commission entering into a lease payable from  
3 allocated taxes under section 39 of this chapter or other available funds  
4 of the redevelopment commission may:

5 (1) pledge the revenue to make payments under the lease pursuant  
6 to IC 5-1-14-4; and

7 (2) establish a special fund to make the payments.

8 (g) Lease rentals may be limited to money in the special fund so that  
9 the obligations of the redevelopment commission to make the lease  
10 rental payments are not considered debt of the unit or the district for  
11 purposes of the Constitution of the State of Indiana.

12 (h) Except as provided in this section, no approvals of any  
13 governmental body or agency are required before the redevelopment  
14 commission enters into a lease under this section.

15 (i) An action to contest the validity of the lease or to enjoin the  
16 performance of any of its terms and conditions must be brought within  
17 thirty (30) days after the publication of the notice of the execution and  
18 approval of the lease. However, if the lease is payable in whole or in  
19 part from tax levies and an appeal has been taken to the department of  
20 local government finance, an action to contest the validity or enjoin the  
21 performance must be brought within thirty (30) days after the decision  
22 of the department.

23 (j) If a redevelopment commission exercises an option to buy a  
24 leased facility from a lessor, the redevelopment commission may  
25 subsequently sell the leased facility, without regard to any other statute,  
26 to the lessor at the end of the lease term at a price set forth in the lease  
27 or at fair market value established at the time of the sale by the  
28 redevelopment commission through auction, appraisal, or arms length  
29 negotiation. If the facility is sold at auction, after appraisal, or through  
30 negotiation, the redevelopment commission shall conduct a hearing  
31 after public notice in accordance with IC 5-3-1 before the sale. Any  
32 action to contest the sale must be brought within fifteen (15) days of  
33 the hearing.

34 SECTION 195. IC 36-7-14-39, AS AMENDED BY P.L.146-2008,  
35 SECTION 738, IS AMENDED TO READ AS FOLLOWS  
36 [EFFECTIVE JANUARY 1, 2010]: Sec. 39. (a) As used in this section:

37 "Allocation area" means that part of a redevelopment project area  
38 to which an allocation provision of a declaratory resolution adopted



1 under section 15 of this chapter refers for purposes of distribution and  
2 allocation of property taxes.

3 "Base assessed value" means the following:

4 (1) If an allocation provision is adopted after June 30, 1995, in a  
5 declaratory resolution or an amendment to a declaratory  
6 resolution establishing an economic development area:

7 (A) the net assessed value of all the property as finally  
8 determined for the assessment date immediately preceding the  
9 effective date of the allocation provision of the declaratory  
10 resolution, as adjusted under subsection (h); plus

11 (B) to the extent that it is not included in clause (A), the net  
12 assessed value of property that is assessed as residential  
13 property under the rules of the department of local government  
14 finance, as finally determined for any assessment date after the  
15 effective date of the allocation provision.

16 (2) If an allocation provision is adopted after June 30, 1997, in a  
17 declaratory resolution or an amendment to a declaratory  
18 resolution establishing a redevelopment project area:

19 (A) the net assessed value of all the property as finally  
20 determined for the assessment date immediately preceding the  
21 effective date of the allocation provision of the declaratory  
22 resolution, as adjusted under subsection (h); plus

23 (B) to the extent that it is not included in clause (A), the net  
24 assessed value of property that is assessed as residential  
25 property under the rules of the department of local government  
26 finance, as finally determined for any assessment date after the  
27 effective date of the allocation provision.

28 (3) If:

29 (A) an allocation provision adopted before June 30, 1995, in  
30 a declaratory resolution or an amendment to a declaratory  
31 resolution establishing a redevelopment project area expires  
32 after June 30, 1997; and

33 (B) after June 30, 1997, a new allocation provision is included  
34 in an amendment to the declaratory resolution;

35 the net assessed value of all the property as finally determined for  
36 the assessment date immediately preceding the effective date of  
37 the allocation provision adopted after June 30, 1997, as adjusted  
38 under subsection (h).



(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after



the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the ~~allocation provision is established~~. **first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues.** However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.



- 1 (C) Pay the principal of and interest on bonds payable from
- 2 allocated tax proceeds in that allocation area and from the
- 3 special tax levied under section 27 of this chapter.
- 4 (D) Pay the principal of and interest on bonds issued by the
- 5 unit to pay for local public improvements that are physically
- 6 located in or physically connected to that allocation area.
- 7 (E) Pay premiums on the redemption before maturity of bonds
- 8 payable solely or in part from allocated tax proceeds in that
- 9 allocation area.
- 10 (F) Make payments on leases payable from allocated tax
- 11 proceeds in that allocation area under section 25.2 of this
- 12 chapter.
- 13 (G) Reimburse the unit for expenditures made by it for local
- 14 public improvements (which include buildings, parking
- 15 facilities, and other items described in section 25.1(a) of this
- 16 chapter) that are physically located in or physically connected
- 17 to that allocation area.
- 18 (H) Reimburse the unit for rentals paid by it for a building or
- 19 parking facility that is physically located in or physically
- 20 connected to that allocation area under any lease entered into
- 21 under IC 36-1-10.
- 22 (I) For property taxes first due and payable before January 1,
- 23 2009, pay all or a part of a property tax replacement credit to
- 24 taxpayers in an allocation area as determined by the
- 25 redevelopment commission. This credit equals the amount
- 26 determined under the following STEPS for each taxpayer in a
- 27 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 28 part of the allocation area:
- 29 STEP ONE: Determine that part of the sum of the amounts
- 30 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 31 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 32 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.
- 33 STEP TWO: Divide:
- 34 (i) that part of each county's eligible property tax
- 35 replacement amount (as defined in IC 6-1.1-21-2) for that
- 36 year as determined under IC 6-1.1-21-4 that is attributable
- 37 to the taxing district; by
- 38 (ii) the STEP ONE sum.



- 1 STEP THREE: Multiply:
- 2 (i) the STEP TWO quotient; times
- 3 (ii) the total amount of the taxpayer's taxes (as defined in
- 4 IC 6-1.1-21-2) levied in the taxing district that have been
- 5 allocated during that year to an allocation fund under this
- 6 section.

7 If not all the taxpayers in an allocation area receive the credit

8 in full, each taxpayer in the allocation area is entitled to

9 receive the same proportion of the credit. A taxpayer may not

10 receive a credit under this section and a credit under section

11 39.5 of this chapter (before its repeal) in the same year.

12 (J) Pay expenses incurred by the redevelopment commission

13 for local public improvements that are in the allocation area or

14 serving the allocation area. Public improvements include

15 buildings, parking facilities, and other items described in

16 section 25.1(a) of this chapter.

17 (K) Reimburse public and private entities for expenses

18 incurred in training employees of industrial facilities that are

19 located:

- 20 (i) in the allocation area; and
- 21 (ii) on a parcel of real property that has been classified as
- 22 industrial property under the rules of the department of local
- 23 government finance.

24 However, the total amount of money spent for this purpose in

25 any year may not exceed the total amount of money in the

26 allocation fund that is attributable to property taxes paid by the

27 industrial facilities described in this clause. The

28 reimbursements under this clause must be made within three

29 (3) years after the date on which the investments that are the

30 basis for the increment financing are made.

31 The allocation fund may not be used for operating expenses of the

32 commission.

33 (3) Except as provided in subsection (g), before July 15 of each

34 year the commission shall do the following:

- 35 (A) Determine the amount, if any, by which the assessed value
- 36 of the taxable property in the allocation area for the most
- 37 recent assessment date minus the base assessed value, when
- 38 multiplied by the estimated tax rate of the allocation area, will



1           exceed the amount of assessed value needed to produce the  
 2           property taxes necessary to make, when due, principal and  
 3           interest payments on bonds described in subdivision (2) plus  
 4           the amount necessary for other purposes described in  
 5           subdivision (2).

6           (B) Provide a written notice to the county auditor, the fiscal  
 7           body of the county or municipality that established the  
 8           department of redevelopment, and the officers who are  
 9           authorized to fix budgets, tax rates, and tax levies under  
 10          IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 11          or partly located within the allocation area. The notice must:

12           (i) state the amount, if any, of excess assessed value that the  
 13           commission has determined may be allocated to the  
 14           respective taxing units in the manner prescribed in  
 15           subdivision (1); or

16           (ii) state that the commission has determined that there is no  
 17           excess assessed value that may be allocated to the respective  
 18           taxing units in the manner prescribed in subdivision (1).

19          The county auditor shall allocate to the respective taxing units  
 20          the amount, if any, of excess assessed value determined by the  
 21          commission. The commission may not authorize an allocation  
 22          of assessed value to the respective taxing units under this  
 23          subdivision if to do so would endanger the interests of the  
 24          holders of bonds described in subdivision (2) or lessors under  
 25          section 25.3 of this chapter.

26          (c) For the purpose of allocating taxes levied by or for any taxing  
 27          unit or units, the assessed value of taxable property in a territory in the  
 28          allocation area that is annexed by any taxing unit after the effective  
 29          date of the allocation provision of the declaratory resolution is the  
 30          lesser of:

31           (1) the assessed value of the property for the assessment date with  
 32           respect to which the allocation and distribution is made; or

33           (2) the base assessed value.

34          (d) Property tax proceeds allocable to the redevelopment district  
 35          under subsection (b)(2) may, subject to subsection (b)(3), be  
 36          irrevocably pledged by the redevelopment district for payment as set  
 37          forth in subsection (b)(2).

38          (e) Notwithstanding any other law, each assessor shall, upon



1 petition of the redevelopment commission, reassess the taxable  
2 property situated upon or in, or added to, the allocation area, effective  
3 on the next assessment date after the petition.

4 (f) Notwithstanding any other law, the assessed value of all taxable  
5 property in the allocation area, for purposes of tax limitation, property  
6 tax replacement, and formulation of the budget, tax rate, and tax levy  
7 for each political subdivision in which the property is located is the  
8 lesser of:

9 (1) the assessed value of the property as valued without regard to  
10 this section; or

11 (2) the base assessed value.

12 (g) If any part of the allocation area is located in an enterprise zone  
13 created under IC 5-28-15, the unit that designated the allocation area  
14 shall create funds as specified in this subsection. A unit that has  
15 obligations, bonds, or leases payable from allocated tax proceeds under  
16 subsection (b)(2) shall establish an allocation fund for the purposes  
17 specified in subsection (b)(2) and a special zone fund. Such a unit  
18 shall, until the end of the enterprise zone phase out period, deposit each  
19 year in the special zone fund any amount in the allocation fund derived  
20 from property tax proceeds in excess of those described in subsection  
21 (b)(1) from property located in the enterprise zone that exceeds the  
22 amount sufficient for the purposes specified in subsection (b)(2) for the  
23 year. The amount sufficient for purposes specified in subsection (b)(2)  
24 for the year shall be determined based on the pro rata portion of such  
25 current property tax proceeds from the part of the enterprise zone that  
26 is within the allocation area as compared to all such current property  
27 tax proceeds derived from the allocation area. A unit that has no  
28 obligations, bonds, or leases payable from allocated tax proceeds under  
29 subsection (b)(2) shall establish a special zone fund and deposit all the  
30 property tax proceeds in excess of those described in subsection (b)(1)  
31 in the fund derived from property tax proceeds in excess of those  
32 described in subsection (b)(1) from property located in the enterprise  
33 zone. The unit that creates the special zone fund shall use the fund  
34 (based on the recommendations of the urban enterprise association) for  
35 programs in job training, job enrichment, and basic skill development  
36 that are designed to benefit residents and employers in the enterprise  
37 zone or other purposes specified in subsection (b)(2), except that where  
38 reference is made in subsection (b)(2) to allocation area it shall refer



for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real property in the area under a county's reassessment plan on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment under a county's reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines



1           under subdivision (2); and  
2           (B) specifically designates a particular date as the final  
3           allocation deadline.

4           SECTION 196.IC 36-7-15.1-17, AS AMENDED BY P.L.146-2008,  
5           SECTION 751, IS AMENDED TO READ AS FOLLOWS  
6           [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) In addition to other methods  
7           of raising money for property acquisition or redevelopment in a  
8           redevelopment project area, and in anticipation of the special tax to be  
9           levied under section 19 of this chapter, the taxes allocated under  
10          section 26 of this chapter, or other revenues of the redevelopment  
11          district, the commission may, by resolution, issue the bonds of the  
12          redevelopment district in the name of the consolidated city and in  
13          accordance with IC 36-3-5-8. The amount of the bonds may not exceed  
14          the total, as estimated by the commission, of all expenses reasonably  
15          incurred in connection with the acquisition and redevelopment of the  
16          property, including:

- 17           (1) the total cost of all land, rights-of-way, and other property to  
18           be acquired and redeveloped;  
19           (2) all reasonable and necessary architectural, engineering, legal,  
20           financing, accounting, advertising, bond discount, and  
21           supervisory expenses related to the acquisition and redevelopment  
22           of the property or the issuance of bonds;  
23           (3) capitalized interest permitted in this chapter and a debt service  
24           reserve for the bonds, to the extent that the redevelopment  
25           commission determines that a reserve is reasonably required;  
26           (4) the total cost of all clearing and construction work provided  
27           for in the resolution; and  
28           (5) expenses that the commission is required or permitted to pay  
29           under IC 8-23-17.

30          (b) If the commission plans to acquire different parcels of land or let  
31          different contracts for redevelopment work at approximately the same  
32          time, whether under one (1) or more resolutions, the commission may  
33          provide for the total cost in one (1) issue of bonds.

34          (c) The bonds must be dated as set forth in the bond resolution and  
35          negotiable subject to the requirements of the bond resolution for the  
36          registration of the bonds. The resolution authorizing the bonds must  
37          state:

- 38           (1) the denominations of the bonds;



1 (2) the place or places at which the bonds are payable; and

2 (3) the term of the bonds, which may not exceed:

3 (A) fifty (50) years **after the date of their issuance**, for bonds  
4 issued before July 1, 2008; or

5 (B) twenty-five (25) years **after the date of their issuance**, for  
6 bonds issued after June 30, 2008.

7 The resolution may also state that the bonds are redeemable before  
8 maturity with or without a premium, as determined by the commission.

9 (d) The commission shall certify a copy of the resolution authorizing  
10 the bonds to the fiscal officer of the consolidated city, who shall then  
11 prepare the bonds. The seal of the unit must be impressed on the bonds,  
12 or a facsimile of the seal must be printed on the bonds.

13 (e) The bonds shall be executed by the city executive and attested  
14 by the fiscal officer. The interest coupons, if any, shall be executed by  
15 the facsimile signature of the fiscal officer.

16 (f) The bonds are exempt from taxation as provided by IC 6-8-5.

17 (g) The city fiscal officer shall sell the bonds according to law.  
18 Notwithstanding IC 36-3-5-8, bonds payable solely or in part from tax  
19 proceeds allocated under section 26(b)(2) of this chapter or other  
20 revenues of the district may be sold at private negotiated sale and at a  
21 price or prices not less than ninety-seven percent (97%) of the par  
22 value.

23 (h) The bonds are not a corporate obligation of the city but are an  
24 indebtedness of the redevelopment district. The bonds and interest are  
25 payable:

26 (1) from a special tax levied upon all of the property in the  
27 redevelopment district, as provided by section 19 of this chapter;

28 (2) from the tax proceeds allocated under section 26(b)(2) of this  
29 chapter;

30 (3) from other revenues available to the commission; or

31 (4) from a combination of the methods stated in subdivisions (1)  
32 through (3);

33 and from any revenues of the designated project. If the bonds are  
34 payable solely from the tax proceeds allocated under section 26(b)(2)  
35 of this chapter, other revenues of the redevelopment commission, or  
36 any combination of these sources, they may be issued in any amount  
37 without limitation.

38 (i) Proceeds from the sale of the bonds may be used to pay the cost



1 of interest on the bonds for a period not to exceed five (5) years from  
2 the date of issue.

3 (j) Notwithstanding IC 36-3-5-8, the laws relating to the filing of  
4 petitions requesting the issuance of bonds and the right of taxpayers  
5 and voters to remonstrate against, or vote on, the issuance of bonds  
6 applicable to bonds issued under this chapter do not apply to bonds  
7 payable solely or in part from tax proceeds allocated under section  
8 26(b)(2) of this chapter, other revenues of the commission, or any  
9 combination of these sources.

10 (k) If bonds are issued under this chapter that are payable solely or  
11 in part from revenues to the commission from a project or projects, the  
12 commission may adopt a resolution or trust indenture or enter into  
13 covenants as is customary in the issuance of revenue bonds. The  
14 resolution or trust indenture may pledge or assign the revenues from  
15 the project or projects, but may not convey or mortgage any project or  
16 parts of a project. The resolution or trust indenture may also contain  
17 any provisions for protecting and enforcing the rights and remedies of  
18 the bond owners as may be reasonable and proper and not in violation  
19 of law, including covenants setting forth the duties of the commission.  
20 The commission may establish fees and charges for the use of any  
21 project and covenant with the owners of any bonds to set those fees and  
22 charges at a rate sufficient to protect the interest of the owners of the  
23 bonds. Any revenue bonds issued by the commission that are payable  
24 solely from revenues of the commission must contain a statement to  
25 that effect in the form of bond.

26 SECTION 197. IC 36-7-15.1-17.1, AS AMENDED BY  
27 P.L.146-2008, SECTION 752, IS AMENDED TO READ AS  
28 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17.1. (a) A commission  
29 may enter into a lease of any property that may be financed with the  
30 proceeds of bonds issued under this chapter with a lessor for a term not  
31 to exceed:

32 (1) fifty (50) years **after the date of their issuance**, for a lease  
33 entered into before July 1, 2008; or

34 (2) twenty-five (25) years **after the date of their issuance**, for a  
35 lease entered into after June 30, 2008.

36 The lease may provide for payments to be made by the commission  
37 from special benefits taxes levied under section 19 of this chapter,  
38 taxes allocated under section 26 of this chapter, any other revenue



1 available to the commission, or any combination of these sources.

2 (b) A lease may provide that payments by the commission to the  
3 lessor are required only to the extent and only for the period that the  
4 lessor is able to provide the leased facilities in accordance with the  
5 lease. The terms of each lease must be based upon the value of the  
6 facilities leased and may not create a debt of the unit or the district for  
7 purposes of the Constitution of the State of Indiana.

8 (c) A lease may be entered into by the commission only after a  
9 public hearing by the commission at which all interested parties are  
10 given the opportunity to be heard. Notice of the hearing must be given  
11 by publication in accordance with IC 5-3-1. After the public hearing,  
12 the commission may adopt a resolution authorizing the execution of the  
13 lease on behalf of the unit if it finds that the service to be provided  
14 throughout the term of the lease will serve the public purpose of the  
15 unit and is in the best interests of its residents. Any lease approved by  
16 a resolution of the commission must be approved by an ordinance of  
17 the fiscal body of the unit.

18 (d) Upon execution of a lease providing for payments by the  
19 commission in whole or in part from the levy of special benefits taxes  
20 under section 19 of this chapter and upon approval of the lease by the  
21 fiscal body, the commission shall publish notice of the execution of the  
22 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more  
23 taxpayers residing in the district who will be affected by the lease and  
24 who may be of the opinion that no necessity exists for the execution of  
25 the lease or that the payments provided for in the lease are not fair and  
26 reasonable may file a petition in the office of the county auditor within  
27 thirty (30) days after the publication of the notice of execution and  
28 approval. The petition must set forth the petitioners' names, addresses,  
29 and objections to the lease and the facts showing that the execution of  
30 the lease is unnecessary or unwise or that the payments provided for in  
31 the lease are not fair and reasonable, as the case may be. Upon the  
32 filing of the petition, the county auditor shall immediately certify a  
33 copy of it, together with such other data as may be necessary in order  
34 to present the questions involved, to the department of local  
35 government finance. Upon receipt of the certified petition and  
36 information, the department of local government finance shall fix a  
37 time and place for the hearing in the redevelopment district, which  
38 must be not less than five (5) or more than thirty (30) days after the



1 time for the hearing is fixed. Notice of the hearing shall be given by the  
2 department of local government finance to the members of the fiscal  
3 body, to the commission, and to the first fifty (50) petitioners on the  
4 petition by a letter signed by the commissioner or deputy commissioner  
5 of the department and enclosed with fully prepaid postage sent to those  
6 persons at their usual place of residence, at least five (5) days before  
7 the date of the hearing. The decision of the department of local  
8 government finance on the appeal, upon the necessity for the execution  
9 of the lease and as to whether the payments under it are fair and  
10 reasonable, is final.

11 (e) A commission entering into a lease payable from allocated taxes  
12 under section 26 of this chapter or revenues or other available funds of  
13 the commission may:

14 (1) pledge the revenue to make payments under the lease pursuant  
15 to IC 5-1-14-4; and

16 (2) establish a special fund to make the payments.

17 Lease rentals may be limited to money in the special fund so that the  
18 obligations of the commission to make the lease rental payments are  
19 not considered a debt of the unit or the district for purposes of the  
20 Constitution of the State of Indiana.

21 (f) Except as provided in this section, no approvals of any  
22 governmental body or agency are required before the commission  
23 enters into a lease under this section.

24 (g) An action to contest the validity of the lease or to enjoin the  
25 performance of any of its terms and conditions must be brought within  
26 thirty (30) days after the publication of the notice of the execution and  
27 approval of the lease. However, if the lease is payable in whole or in  
28 part from tax levies and an appeal has been taken to the department of  
29 local government finance, an action to contest the validity or to enjoin  
30 performance must be brought within thirty (30) days after the decision  
31 of the department.

32 (h) If a commission exercises an option to buy a leased facility from  
33 a lessor, the commission may subsequently sell the leased facility,  
34 without regard to any other statute, to the lessor at the end of the lease  
35 term at a price set forth in the lease or at fair market value established  
36 at the time of the sale by the commission through auction, appraisal, or  
37 arms length negotiation. If the facility is sold at auction, after appraisal,  
38 or through negotiation, the commission shall conduct a hearing after



1 public notice in accordance with IC 5-3-1 before the sale. Any action  
2 to contest the sale must be brought within fifteen (15) days after the  
3 hearing.

4 SECTION 198. IC 36-7-15.1-26, AS AMENDED BY P.L.146-2008,  
5 SECTION 755, IS AMENDED TO READ AS FOLLOWS  
6 [EFFECTIVE JANUARY 1, 2010]: Sec. 26. (a) As used in this section:

7 "Allocation area" means that part of a redevelopment project area  
8 to which an allocation provision of a resolution adopted under section  
9 8 of this chapter refers for purposes of distribution and allocation of  
10 property taxes.

11 "Base assessed value" means the following:

12 (1) If an allocation provision is adopted after June 30, 1995, in a  
13 declaratory resolution or an amendment to a declaratory  
14 resolution establishing an economic development area:

15 (A) the net assessed value of all the property as finally  
16 determined for the assessment date immediately preceding the  
17 effective date of the allocation provision of the declaratory  
18 resolution, as adjusted under subsection (h); plus

19 (B) to the extent that it is not included in clause (A), the net  
20 assessed value of property that is assessed as residential  
21 property under the rules of the department of local government  
22 finance, as finally determined for any assessment date after the  
23 effective date of the allocation provision.

24 (2) If an allocation provision is adopted after June 30, 1997, in a  
25 declaratory resolution or an amendment to a declaratory  
26 resolution establishing a redevelopment project area:

27 (A) the net assessed value of all the property as finally  
28 determined for the assessment date immediately preceding the  
29 effective date of the allocation provision of the declaratory  
30 resolution, as adjusted under subsection (h); plus

31 (B) to the extent that it is not included in clause (A), the net  
32 assessed value of property that is assessed as residential  
33 property under the rules of the department of local government  
34 finance, as finally determined for any assessment date after the  
35 effective date of the allocation provision.

36 (3) If:

37 (A) an allocation provision adopted before June 30, 1995, in  
38 a declaratory resolution or an amendment to a declaratory



1 resolution establishing a redevelopment project area expires  
2 after June 30, 1997; and  
3 (B) after June 30, 1997, a new allocation provision is included  
4 in an amendment to the declaratory resolution;  
5 the net assessed value of all the property as finally determined for  
6 the assessment date immediately preceding the effective date of  
7 the allocation provision adopted after June 30, 1997, as adjusted  
8 under subsection (h).  
9 (4) Except as provided in subdivision (5), for all other allocation  
10 areas, the net assessed value of all the property as finally  
11 determined for the assessment date immediately preceding the  
12 effective date of the allocation provision of the declaratory  
13 resolution, as adjusted under subsection (h).  
14 (5) If an allocation area established in an economic development  
15 area before July 1, 1995, is expanded after June 30, 1995, the  
16 definition in subdivision (1) applies to the expanded part of the  
17 area added after June 30, 1995.  
18 (6) If an allocation area established in a redevelopment project  
19 area before July 1, 1997, is expanded after June 30, 1997, the  
20 definition in subdivision (2) applies to the expanded part of the  
21 area added after June 30, 1997.  
22 Except as provided in section 26.2 of this chapter, "property taxes"  
23 means taxes imposed under IC 6-1.1 on real property. However, upon  
24 approval by a resolution of the redevelopment commission adopted  
25 before June 1, 1987, "property taxes" also includes taxes imposed  
26 under IC 6-1.1 on depreciable personal property. If a redevelopment  
27 commission adopted before June 1, 1987, a resolution to include within  
28 the definition of property taxes taxes imposed under IC 6-1.1 on  
29 depreciable personal property that has a useful life in excess of eight  
30 (8) years, the commission may by resolution determine the percentage  
31 of taxes imposed under IC 6-1.1 on all depreciable personal property  
32 that will be included within the definition of property taxes. However,  
33 the percentage included must not exceed twenty-five percent (25%) of  
34 the taxes imposed under IC 6-1.1 on all depreciable personal property.  
35 (b) A resolution adopted under section 8 of this chapter on or before  
36 the allocation deadline determined under subsection (i) may include a  
37 provision with respect to the allocation and distribution of property  
38 taxes for the purposes and in the manner provided in this section. A



1 resolution previously adopted may include an allocation provision by  
 2 the amendment of that resolution on or before the allocation deadline  
 3 determined under subsection (i) in accordance with the procedures  
 4 required for its original adoption. A declaratory resolution or an  
 5 amendment that establishes an allocation provision after June 30, 1995,  
 6 must specify an expiration date for the allocation provision. For an  
 7 allocation area established before July 1, 2008, the expiration date may  
 8 not be more than thirty (30) years after the date on which the allocation  
 9 provision is established. For an allocation area established after June  
 10 30, 2008, the expiration date may not be more than twenty-five (25)  
 11 years after the date on which the ~~allocation provision is established.~~  
 12 **first obligation was incurred to pay principal and interest on bonds**  
 13 **or lease rentals on leases payable from tax increment revenues.**  
 14 However, with respect to bonds or other obligations that were issued  
 15 before July 1, 2008, if any of the bonds or other obligations that were  
 16 scheduled when issued to mature before the specified expiration date  
 17 and that are payable only from allocated tax proceeds with respect to  
 18 the allocation area remain outstanding as of the expiration date, the  
 19 allocation provision does not expire until all of the bonds or other  
 20 obligations are no longer outstanding. The allocation provision may  
 21 apply to all or part of the redevelopment project area. The allocation  
 22 provision must require that any property taxes subsequently levied by  
 23 or for the benefit of any public body entitled to a distribution of  
 24 property taxes on taxable property in the allocation area be allocated  
 25 and distributed as follows:

26 (1) Except as otherwise provided in this section, the proceeds of  
 27 the taxes attributable to the lesser of:

28 (A) the assessed value of the property for the assessment date  
 29 with respect to which the allocation and distribution is made;

30 or

31 (B) the base assessed value;

32 shall be allocated to and, when collected, paid into the funds of  
 33 the respective taxing units.

34 (2) Except as otherwise provided in this section, property tax  
 35 proceeds in excess of those described in subdivision (1) shall be  
 36 allocated to the redevelopment district and, when collected, paid  
 37 into a special fund for that allocation area that may be used by the  
 38 redevelopment district only to do one (1) or more of the



1 following:

2 (A) Pay the principal of and interest on any obligations  
3 payable solely from allocated tax proceeds that are incurred by  
4 the redevelopment district for the purpose of financing or  
5 refinancing the redevelopment of that allocation area.

6 (B) Establish, augment, or restore the debt service reserve for  
7 bonds payable solely or in part from allocated tax proceeds in  
8 that allocation area.

9 (C) Pay the principal of and interest on bonds payable from  
10 allocated tax proceeds in that allocation area and from the  
11 special tax levied under section 19 of this chapter.

12 (D) Pay the principal of and interest on bonds issued by the  
13 consolidated city to pay for local public improvements that are  
14 physically located in or physically connected to that allocation  
15 area.

16 (E) Pay premiums on the redemption before maturity of bonds  
17 payable solely or in part from allocated tax proceeds in that  
18 allocation area.

19 (F) Make payments on leases payable from allocated tax  
20 proceeds in that allocation area under section 17.1 of this  
21 chapter.

22 (G) Reimburse the consolidated city for expenditures for local  
23 public improvements (which include buildings, parking  
24 facilities, and other items set forth in section 17 of this  
25 chapter) that are physically located in or physically connected  
26 to that allocation area.

27 (H) Reimburse the unit for rentals paid by it for a building or  
28 parking facility that is physically located in or physically  
29 connected to that allocation area under any lease entered into  
30 under IC 36-1-10.

31 (I) Reimburse public and private entities for expenses incurred  
32 in training employees of industrial facilities that are located:

33 (i) in the allocation area; and

34 (ii) on a parcel of real property that has been classified as  
35 industrial property under the rules of the department of local  
36 government finance.

37 However, the total amount of money spent for this purpose in  
38 any year may not exceed the total amount of money in the



1 allocation fund that is attributable to property taxes paid by the  
2 industrial facilities described in this clause. The  
3 reimbursements under this clause must be made within three  
4 (3) years after the date on which the investments that are the  
5 basis for the increment financing are made.

6 The special fund may not be used for operating expenses of the  
7 commission.

8 (3) Before July 15 of each year, the commission shall do the  
9 following:

10 (A) Determine the amount, if any, by which the assessed value  
11 of the taxable property in the allocation area for the most  
12 recent assessment date minus the base assessed value, when  
13 multiplied by the estimated tax rate of the allocation area, will  
14 exceed the amount of assessed value needed to provide the  
15 property taxes necessary to make, when due, principal and  
16 interest payments on bonds described in subdivision (2) plus  
17 the amount necessary for other purposes described in  
18 subdivision (2) and subsection (g).

19 (B) Provide a written notice to the county auditor, the  
20 legislative body of the consolidated city, and the officers who  
21 are authorized to fix budgets, tax rates, and tax levies under  
22 IC 6-1.1-17-5 for each of the other taxing units that is wholly  
23 or partly located within the allocation area. The notice must:

24 (i) state the amount, if any, of excess assessed value that the  
25 commission has determined may be allocated to the  
26 respective taxing units in the manner prescribed in  
27 subdivision (1); or

28 (ii) state that the commission has determined that there is no  
29 excess assessed value that may be allocated to the respective  
30 taxing units in the manner prescribed in subdivision (1).

31 The county auditor shall allocate to the respective taxing units  
32 the amount, if any, of excess assessed value determined by the  
33 commission. The commission may not authorize an allocation  
34 to the respective taxing units under this subdivision if to do so  
35 would endanger the interests of the holders of bonds described  
36 in subdivision (2).

37 (c) For the purpose of allocating taxes levied by or for any taxing  
38 unit or units, the assessed value of taxable property in a territory in the



1 allocation area that is annexed by any taxing unit after the effective  
2 date of the allocation provision of the resolution is the lesser of:

- 3 (1) the assessed value of the property for the assessment date with
- 4 respect to which the allocation and distribution is made; or
- 5 (2) the base assessed value.

6 (d) Property tax proceeds allocable to the redevelopment district  
7 under subsection (b)(2) may, subject to subsection (b)(3), be  
8 irrevocably pledged by the redevelopment district for payment as set  
9 forth in subsection (b)(2).

10 (e) Notwithstanding any other law, each assessor shall, upon  
11 petition of the commission, reassess the taxable property situated upon  
12 or in, or added to, the allocation area, effective on the next assessment  
13 date after the petition.

14 (f) Notwithstanding any other law, the assessed value of all taxable  
15 property in the allocation area, for purposes of tax limitation, property  
16 tax replacement, and formulation of the budget, tax rate, and tax levy  
17 for each political subdivision in which the property is located is the  
18 lesser of:

- 19 (1) the assessed value of the property as valued without regard to
- 20 this section; or
- 21 (2) the base assessed value.

22 (g) If any part of the allocation area is located in an enterprise zone  
23 created under IC 5-28-15, the unit that designated the allocation area  
24 shall create funds as specified in this subsection. A unit that has  
25 obligations, bonds, or leases payable from allocated tax proceeds under  
26 subsection (b)(2) shall establish an allocation fund for the purposes  
27 specified in subsection (b)(2) and a special zone fund. Such a unit  
28 shall, until the end of the enterprise zone phase out period, deposit each  
29 year in the special zone fund the amount in the allocation fund derived  
30 from property tax proceeds in excess of those described in subsection  
31 (b)(1) from property located in the enterprise zone that exceeds the  
32 amount sufficient for the purposes specified in subsection (b)(2) for the  
33 year. A unit that has no obligations, bonds, or leases payable from  
34 allocated tax proceeds under subsection (b)(2) shall establish a special  
35 zone fund and deposit all the property tax proceeds in excess of those  
36 described in subsection (b)(1) in the fund derived from property tax  
37 proceeds in excess of those described in subsection (b)(1) from  
38 property located in the enterprise zone. The unit that creates the special



1 zone fund shall use the fund, based on the recommendations of the  
 2 urban enterprise association, for one (1) or more of the following  
 3 purposes:

4 (1) To pay for programs in job training, job enrichment, and basic  
 5 skill development designed to benefit residents and employers in  
 6 the enterprise zone. The programs must reserve at least one-half  
 7 (1/2) of the enrollment in any session for residents of the  
 8 enterprise zone.

9 (2) To make loans and grants for the purpose of stimulating  
 10 business activity in the enterprise zone or providing employment  
 11 for enterprise zone residents in the enterprise zone. These loans  
 12 and grants may be made to the following:

13 (A) Businesses operating in the enterprise zone.

14 (B) Businesses that will move their operations to the enterprise  
 15 zone if such a loan or grant is made.

16 (3) To provide funds to carry out other purposes specified in  
 17 subsection (b)(2). However, where reference is made in  
 18 subsection (b)(2) to the allocation area, the reference refers for  
 19 purposes of payments from the special zone fund only to that part  
 20 of the allocation area that is also located in the enterprise zone.

21 (h) The state board of accounts and department of local government  
 22 finance shall make the rules and prescribe the forms and procedures  
 23 that they consider expedient for the implementation of this chapter.  
 24 After each ~~general~~ reassessment of real property in an area under a  
 25 **county's reassessment plan** under IC 6-1.1-4, the department of local  
 26 government finance shall adjust the base assessed value one (1) time  
 27 to neutralize any effect of the ~~general~~ reassessment of the real  
 28 **property in the area under a county's reassessment plan** on the  
 29 property tax proceeds allocated to the redevelopment district under this  
 30 section. After each annual adjustment under IC 6-1.1-4-4.5, the  
 31 department of local government finance shall adjust the base assessed  
 32 value to neutralize any effect of the annual adjustment on the property  
 33 tax proceeds allocated to the redevelopment district under this section.  
 34 However, the adjustments under this subsection may not include the  
 35 effect of property tax abatements under IC 6-1.1-12.1, and these  
 36 adjustments may not produce less property tax proceeds allocable to  
 37 the redevelopment district under subsection (b)(2) than would  
 38 otherwise have been received if the ~~general~~ reassessment **under a**



1 **county's reassessment plan** or annual adjustment had not occurred.  
 2 The department of local government finance may prescribe procedures  
 3 for county and township officials to follow to assist the department in  
 4 making the adjustments.

5 (i) The allocation deadline referred to in subsection (b) is  
 6 determined in the following manner:

7 (1) The initial allocation deadline is December 31, 2011.

8 (2) Subject to subdivision (3), the initial allocation deadline and  
 9 subsequent allocation deadlines are automatically extended in  
 10 increments of five (5) years, so that allocation deadlines  
 11 subsequent to the initial allocation deadline fall on December 31,  
 12 2016, and December 31 of each fifth year thereafter.

13 (3) At least one (1) year before the date of an allocation deadline  
 14 determined under subdivision (2), the general assembly may enact  
 15 a law that:

16 (A) terminates the automatic extension of allocation deadlines  
 17 under subdivision (2); and

18 (B) specifically designates a particular date as the final  
 19 allocation deadline.

20 SECTION 199. IC 36-7-15.1-45, AS AMENDED BY P.L.146-2008,  
 21 SECTION 762, IS AMENDED TO READ AS FOLLOWS  
 22 [EFFECTIVE JULY 1, 2009]: Sec. 45. (a) In addition to other methods  
 23 of raising money for property acquisition or redevelopment in a  
 24 redevelopment project area, and in anticipation of the special tax to be  
 25 levied under section 50 of this chapter, the taxes allocated under  
 26 section 53 of this chapter, or other revenues of the redevelopment  
 27 district, a commission may, by resolution, issue the bonds of its  
 28 redevelopment district in the name of the excluded city. The amount of  
 29 the bonds may not exceed the total, as estimated by the commission, of  
 30 all expenses reasonably incurred in connection with the acquisition and  
 31 redevelopment of the property, including:

32 (1) the total cost of all land, rights-of-way, and other property to  
 33 be acquired and redeveloped;

34 (2) all reasonable and necessary architectural, engineering, legal,  
 35 financing, accounting, advertising, bond discount, and  
 36 supervisory expenses related to the acquisition and redevelopment  
 37 of the property or the issuance of bonds;

38 (3) capitalized interest permitted in this chapter and a debt service



1 reserve for the bonds, to the extent that the redevelopment  
 2 commission determines that a reserve is reasonably required;  
 3 (4) the total cost of all clearing and construction work provided  
 4 for in the resolution; and  
 5 (5) expenses that the commission is required or permitted to pay  
 6 under IC 8-23-17.

7 (b) If a commission plans to acquire different parcels of land or let  
 8 different contracts for redevelopment work at approximately the same  
 9 time, whether under one (1) or more resolutions, a commission may  
 10 provide for the total cost in one (1) issue of bonds.

11 (c) The bonds must be dated as set forth in the bond resolution and  
 12 negotiable subject to the requirements concerning registration of the  
 13 bonds. The resolution authorizing the bonds must state:

- 14 (1) the denominations of the bonds;
- 15 (2) the place or places at which the bonds are payable; and
- 16 (3) the term of the bonds, which may not exceed:
  - 17 (A) fifty (50) years **after the date of their issuance**, for bonds
  - 18 issued before July 1, 2008; or
  - 19 (B) twenty-five (25) years **after the date of their issuance**, for
  - 20 bonds issued after June 30, 2008.

21 The resolution may also state that the bonds are redeemable before  
 22 maturity with or without a premium, as determined by the commission.

23 (d) The commission shall certify a copy of the resolution authorizing  
 24 the bonds to the fiscal officer of the excluded city, who shall then  
 25 prepare the bonds. The seal of the unit must be impressed on the bonds,  
 26 or a facsimile of the seal must be printed on the bonds.

27 (e) The bonds shall be executed by the excluded city executive and  
 28 attested by the excluded city fiscal officer. The interest coupons, if any,  
 29 shall be executed by the facsimile signature of the excluded city fiscal  
 30 officer.

31 (f) The bonds are exempt from taxation as provided by IC 6-8-5.

32 (g) The excluded city fiscal officer shall sell the bonds according to  
 33 law. Bonds payable solely or in part from tax proceeds allocated under  
 34 section 53(b)(2) of this chapter or other revenues of the district may be  
 35 sold at private negotiated sale and at a price or prices not less than  
 36 ninety-seven percent (97%) of the par value.

37 (h) The bonds are not a corporate obligation of the excluded city but  
 38 are an indebtedness of the redevelopment district. The bonds and



1 interest are payable:

- 2 (1) from a special tax levied upon all of the property in the
- 3 redevelopment district, as provided by section 50 of this chapter;
- 4 (2) from the tax proceeds allocated under section 53(b)(2) of this
- 5 chapter;
- 6 (3) from other revenues available to the commission; or
- 7 (4) from a combination of the methods described in subdivisions
- 8 (1) through (3);

9 and from any revenues of the designated project. If the bonds are  
10 payable solely from the tax proceeds allocated under section 53(b)(2)  
11 of this chapter, other revenues of the redevelopment commission, or  
12 any combination of these sources, they may be issued in any amount  
13 without limitation.

14 (i) Proceeds from the sale of the bonds may be used to pay the cost  
15 of interest on the bonds for a period not to exceed five (5) years from  
16 the date of issue.

17 (j) The laws relating to the filing of petitions requesting the issuance  
18 of bonds and the right of taxpayers and voters to remonstrate against,  
19 or vote on, the issuance of bonds applicable to bonds issued under this  
20 chapter do not apply to bonds payable solely or in part from tax  
21 proceeds allocated under section 53(b)(2) of this chapter, other  
22 revenues of the commission, or any combination of these sources.

23 (k) If bonds are issued under this chapter that are payable solely or  
24 in part from revenues to a commission from a project or projects, a  
25 commission may adopt a resolution or trust indenture or enter into  
26 covenants as is customary in the issuance of revenue bonds. The  
27 resolution or trust indenture may pledge or assign the revenues from  
28 the project or projects but may not convey or mortgage any project or  
29 parts of a project. The resolution or trust indenture may also contain  
30 any provisions for protecting and enforcing the rights and remedies of  
31 the bond owners as may be reasonable and proper and not in violation  
32 of law, including covenants setting forth the duties of the commission.  
33 The commission may establish fees and charges for the use of any  
34 project and covenant with the owners of bonds to set those fees and  
35 charges at a rate sufficient to protect the interest of the owners of the  
36 bonds. Any revenue bonds issued by the commission that are payable  
37 solely from revenues of the commission must contain a statement to  
38 that effect in the form of bond.



1       SECTION 200. IC 36-7-15.1-46, AS AMENDED BY P.L.146-2008,  
2       SECTION 763, IS AMENDED TO READ AS FOLLOWS  
3       [EFFECTIVE JULY 1, 2009]: Sec. 46. (a) A commission may enter  
4       into a lease of any property that may be financed with the proceeds of  
5       bonds issued under section 45 of this chapter with a lessor for a term  
6       not to exceed:

7           (1) fifty (50) years **after the date of their issuance**, for a lease  
8           entered into before July 1, 2008; or

9           (2) twenty-five (25) years **after the date of their issuance**, for a  
10          lease entered into after June 30, 2008.

11       The lease may provide for payments to be made by the commission  
12       from special benefits taxes levied under section 50 of this chapter,  
13       taxes allocated under section 53 of this chapter, any other revenue  
14       available to the commission, or any combination of these sources.

15       (b) A lease may provide that payments by the commission to the  
16       lessor are required only to the extent and only for the period that the  
17       lessor is able to provide the leased facilities in accordance with the  
18       lease. The terms of each lease must be based upon the value of the  
19       facilities leased and may not create a debt of the unit or the district for  
20       purposes of the Constitution of the State of Indiana.

21       (c) A lease may be entered into by the commission only after a  
22       public hearing by the commission at which all interested parties are  
23       given the opportunity to be heard. Notice of the hearing must be given  
24       by publication in accordance with IC 5-3-1. After the public hearing,  
25       the commission may adopt a resolution authorizing the execution of the  
26       lease on behalf of the unit if it finds that the service to be provided  
27       throughout the term of the lease will serve the public purpose of the  
28       unit and is in the best interests of its residents. Any lease approved by  
29       a resolution of the commission must be approved by an ordinance of  
30       the fiscal body of the excluded city.

31       (d) Upon execution of a lease providing for payments by the  
32       commission in whole or in part from the levy of special benefits taxes  
33       under section 50 of this chapter and upon approval of the lease by the  
34       fiscal body, the commission shall publish notice of the execution of the  
35       lease and its approval in accordance with IC 5-3-1. Fifty (50) or more  
36       taxpayers residing in the district who will be affected by the lease and  
37       who may be of the opinion that no necessity exists for the execution of  
38       the lease or that the payments provided for in the lease are not fair and



1 reasonable may file a petition in the office of the county auditor within  
2 thirty (30) days after the publication of the notice of execution and  
3 approval. The petition must set forth the petitioners' names, addresses,  
4 and objections to the lease and the facts showing that the execution of  
5 the lease is unnecessary or unwise or that the payments provided for in  
6 the lease are not fair and reasonable, as the case may be. Upon the  
7 filing of the petition, the county auditor shall immediately certify a  
8 copy of the petition, together with such other data as may be necessary  
9 in order to present the questions involved, to the department of local  
10 government finance. Upon receipt of the certified petition and  
11 information, the department of local government finance shall fix a  
12 time and place for the hearing in the redevelopment district, which  
13 must not be less than five (5) or more than thirty (30) days after the  
14 time for the hearing is fixed. Notice of the hearing shall be given by the  
15 department of local government finance to the members of the fiscal  
16 body, to the commission, and to the first fifty (50) petitioners on the  
17 petition by a letter signed by the commissioner or deputy commissioner  
18 of the department and enclosed with fully prepaid postage sent to those  
19 persons at their usual place of residence, at least five (5) days before  
20 the date of the hearing. The decision of the department of local  
21 government finance on the appeal, upon the necessity for the execution  
22 of the lease and as to whether the payments under it are fair and  
23 reasonable, is final.

24 (e) A commission entering into a lease payable from allocated taxes  
25 under section 53 of this chapter or revenues or other available funds of  
26 the commission may:

- 27 (1) pledge the revenue to make payments under the lease as  
28 provided in IC 5-1-14-4; and  
29 (2) establish a special fund to make the payments.

30 Lease rentals may be limited to money in the special fund so that the  
31 obligations of the commission to make the lease rental payments are  
32 not considered a debt of the unit or the district for purposes of the  
33 Constitution of the State of Indiana.

34 (f) Except as provided in this section, no approvals of any  
35 governmental body or agency are required before the commission  
36 enters into a lease under this section.

37 (g) An action to contest the validity of the lease or to enjoin the  
38 performance of any of its terms and conditions must be brought within



thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department of local government finance.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 201. IC 36-7-15.1-53, AS AMENDED BY P.L.146-2008, SECTION 765, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of



property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. **first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues.** However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid



1 into a special fund for that allocation area that may be used by the  
2 redevelopment district only to do one (1) or more of the  
3 following:

4 (A) Pay the principal of and interest on any obligations  
5 payable solely from allocated tax proceeds that are incurred by  
6 the redevelopment district for the purpose of financing or  
7 refinancing the redevelopment of that allocation area.

8 (B) Establish, augment, or restore the debt service reserve for  
9 bonds payable solely or in part from allocated tax proceeds in  
10 that allocation area.

11 (C) Pay the principal of and interest on bonds payable from  
12 allocated tax proceeds in that allocation area and from the  
13 special tax levied under section 50 of this chapter.

14 (D) Pay the principal of and interest on bonds issued by the  
15 excluded city to pay for local public improvements that are  
16 physically located in or physically connected to that allocation  
17 area.

18 (E) Pay premiums on the redemption before maturity of bonds  
19 payable solely or in part from allocated tax proceeds in that  
20 allocation area.

21 (F) Make payments on leases payable from allocated tax  
22 proceeds in that allocation area under section 46 of this  
23 chapter.

24 (G) Reimburse the excluded city for expenditures for local  
25 public improvements (which include buildings, park facilities,  
26 and other items set forth in section 45 of this chapter) that are  
27 physically located in or physically connected to that allocation  
28 area.

29 (H) Reimburse the unit for rentals paid by it for a building or  
30 parking facility that is physically located in or physically  
31 connected to that allocation area under any lease entered into  
32 under IC 36-1-10.

33 (I) Reimburse public and private entities for expenses incurred  
34 in training employees of industrial facilities that are located:

35 (i) in the allocation area; and

36 (ii) on a parcel of real property that has been classified as  
37 industrial property under the rules of the department of local  
38 government finance.



1           However, the total amount of money spent for this purpose in  
 2           any year may not exceed the total amount of money in the  
 3           allocation fund that is attributable to property taxes paid by the  
 4           industrial facilities described in this clause. The  
 5           reimbursements under this clause must be made within three  
 6           (3) years after the date on which the investments that are the  
 7           basis for the increment financing are made.

8           The special fund may not be used for operating expenses of the  
 9           commission.

10          (3) Before July 15 of each year, the commission shall do the  
 11          following:

12           (A) Determine the amount, if any, by which the assessed value  
 13           of the taxable property in the allocation area for the most  
 14           recent assessment date minus the base assessed value, when  
 15           multiplied by the estimated tax rate of the allocation area, will  
 16           exceed the amount of assessed value needed to provide the  
 17           property taxes necessary to make, when due, principal and  
 18           interest payments on bonds described in subdivision (2) plus  
 19           the amount necessary for other purposes described in  
 20           subdivision (2) and subsection (g).

21           (B) Provide a written notice to the county auditor, the fiscal  
 22           body of the county or municipality that established the  
 23           department of redevelopment, and the officers who are  
 24           authorized to fix budgets, tax rates, and tax levies under  
 25           IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 26           or partly located within the allocation area. The notice must:

27           (i) state the amount, if any, of excess assessed value that the  
 28           commission has determined may be allocated to the  
 29           respective taxing units in the manner prescribed in  
 30           subdivision (1); or

31           (ii) state that the commission has determined that there is no  
 32           excess assessed value that may be allocated to the respective  
 33           taxing units in the manner prescribed in subdivision (1).

34           The county auditor shall allocate to the respective taxing units  
 35           the amount, if any, of excess assessed value determined by the  
 36           commission. The commission may not authorize an allocation  
 37           to the respective taxing units under this subdivision if to do so  
 38           would endanger the interests of the holders of bonds described



1 in subdivision (2).

2 (c) For the purpose of allocating taxes levied by or for any taxing  
3 unit or units, the assessed value of taxable property in a territory in the  
4 allocation area that is annexed by any taxing unit after the effective  
5 date of the allocation provision of the resolution is the lesser of:

6 (1) the assessed value of the property for the assessment date with  
7 respect to which the allocation and distribution is made; or

8 (2) the base assessed value.

9 (d) Property tax proceeds allocable to the redevelopment district  
10 under subsection (b)(2) may, subject to subsection (b)(3), be  
11 irrevocably pledged by the redevelopment district for payment as set  
12 forth in subsection (b)(2).

13 (e) Notwithstanding any other law, each assessor shall, upon  
14 petition of the commission, reassess the taxable property situated upon  
15 or in, or added to, the allocation area, effective on the next assessment  
16 date after the petition.

17 (f) Notwithstanding any other law, the assessed value of all taxable  
18 property in the allocation area, for purposes of tax limitation, property  
19 tax replacement, and formulation of the budget, tax rate, and tax levy  
20 for each political subdivision in which the property is located, is the  
21 lesser of:

22 (1) the assessed value of the property as valued without regard to  
23 this section; or

24 (2) the base assessed value.

25 (g) If any part of the allocation area is located in an enterprise zone  
26 created under IC 5-28-15, the unit that designated the allocation area  
27 shall create funds as specified in this subsection. A unit that has  
28 obligations, bonds, or leases payable from allocated tax proceeds under  
29 subsection (b)(2) shall establish an allocation fund for the purposes  
30 specified in subsection (b)(2) and a special zone fund. Such a unit  
31 shall, until the end of the enterprise zone phase out period, deposit each  
32 year in the special zone fund the amount in the allocation fund derived  
33 from property tax proceeds in excess of those described in subsection  
34 (b)(1) from property located in the enterprise zone that exceeds the  
35 amount sufficient for the purposes specified in subsection (b)(2) for the  
36 year. A unit that has no obligations, bonds, or leases payable from  
37 allocated tax proceeds under subsection (b)(2) shall establish a special  
38 zone fund and deposit all the property tax proceeds in excess of those



described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter.

After each ~~general~~ reassessment of real property in an area under a **county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the **real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these



adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment **under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 202. IC 36-7-15.3-15, AS AMENDED BY P.L.146-2008, SECTION 768, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) The authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring property;

(2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or

(3) funding or refunding bonds issued under this chapter or IC 36-7-15.1.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within:



1           (1) fifty (50) years **after the date of their issuance**, for bonds  
2           issued before July 1, 2008; or

3           (2) twenty-five (25) years **after the date of their issuance**, for  
4           bonds issued after June 30, 2008.

5           (f) The board shall sell the bonds at public or private sale upon such  
6           terms as determined by the board.

7           (g) All money received from any bonds issued under this chapter  
8           shall be applied solely to the payment of the cost of the acquisition or  
9           construction, or both, of local public improvements, or the cost of  
10          refunding or refinancing outstanding bonds, for which the bonds are  
11          issued. The cost may include:

12          (1) planning and development of the facility and all buildings,  
13          facilities, structures, and improvements related to it;

14          (2) acquisition of a site and clearing and preparing the site for  
15          construction;

16          (3) equipment, facilities, structures, and improvements that are  
17          necessary or desirable to make the local public improvements  
18          suitable for use and operations;

19          (4) architectural, engineering, consultant, and attorney fees;

20          (5) incidental expenses in connection with the issuance and sale  
21          of bonds;

22          (6) reserves for principal and interest;

23          (7) interest during construction and for a period thereafter  
24          determined by the board, but in no event to exceed five (5) years;

25          (8) financial advisory fees;

26          (9) insurance during construction;

27          (10) municipal bond insurance, debt service reserve insurance,  
28          letters of credit, or other credit enhancement; and

29          (11) in the case of refunding or refinancing, payment of the  
30          principal of, redemption premiums, if any, and interest on, the  
31          bonds being refunded or refinanced.

32          SECTION 203. IC 36-7-30-25, AS AMENDED BY P.L.146-2008,  
33          SECTION 770, IS AMENDED TO READ AS FOLLOWS  
34          [EFFECTIVE JANUARY 1, 2010]: Sec. 25. (a) The following  
35          definitions apply throughout this section:

36          (1) "Allocation area" means that part of a military base reuse area  
37          to which an allocation provision of a declaratory resolution  
38          adopted under section 10 of this chapter refers for purposes of



1 distribution and allocation of property taxes.

2 (2) "Base assessed value" means:

3 (A) the net assessed value of all the property as finally  
4 determined for the assessment date immediately preceding the  
5 adoption date of the allocation provision of the declaratory  
6 resolution, as adjusted under subsection (h); plus

7 (B) to the extent that it is not included in clause (A) or (C), the  
8 net assessed value of any and all parcels or classes of parcels  
9 identified as part of the base assessed value in the declaratory  
10 resolution or an amendment thereto, as finally determined for  
11 any subsequent assessment date; plus

12 (C) to the extent that it is not included in clause (A) or (B), the  
13 net assessed value of property that is assessed as residential  
14 property under the rules of the department of local government  
15 finance, as finally determined for any assessment date after the  
16 effective date of the allocation provision.

17 Clause (C) applies only to allocation areas established in a  
18 military reuse area after June 30, 1997, and to the part of an  
19 allocation area that was established before June 30, 1997, and that  
20 is added to an existing allocation area after June 30, 1997.

21 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
22 property.

23 (b) A declaratory resolution adopted under section 10 of this chapter  
24 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
25 resolutions adopted under IC 36-7-14-15 may include a provision with  
26 respect to the allocation and distribution of property taxes for the  
27 purposes and in the manner provided in this section. A declaratory  
28 resolution previously adopted may include an allocation provision by  
29 the amendment of that declaratory resolution in accordance with the  
30 procedures set forth in section 13 of this chapter. The allocation  
31 provision may apply to all or part of the military base reuse area. The  
32 allocation provision must require that any property taxes subsequently  
33 levied by or for the benefit of any public body entitled to a distribution  
34 of property taxes on taxable property in the allocation area be allocated  
35 and distributed as follows:

36 (1) Except as otherwise provided in this section, the proceeds of  
37 the taxes attributable to the lesser of:

38 (A) the assessed value of the property for the assessment date



1           with respect to which the allocation and distribution is made;  
 2           or  
 3           (B) the base assessed value;  
 4           shall be allocated to and, when collected, paid into the funds of  
 5           the respective taxing units.  
 6           (2) Except as otherwise provided in this section, property tax  
 7           proceeds in excess of those described in subdivision (1) shall be  
 8           allocated to the military base reuse district and, when collected,  
 9           paid into an allocation fund for that allocation area that may be  
 10          used by the military base reuse district and only to do one (1) or  
 11          more of the following:  
 12           (A) Pay the principal of and interest and redemption premium  
 13           on any obligations incurred by the military base reuse district  
 14           or any other entity for the purpose of financing or refinancing  
 15           military base reuse activities in or directly serving or  
 16           benefiting that allocation area.  
 17           (B) Establish, augment, or restore the debt service reserve for  
 18           bonds payable solely or in part from allocated tax proceeds in  
 19           that allocation area or from other revenues of the reuse  
 20           authority, including lease rental revenues.  
 21           (C) Make payments on leases payable solely or in part from  
 22           allocated tax proceeds in that allocation area.  
 23           (D) Reimburse any other governmental body for expenditures  
 24           made for local public improvements (or structures) in or  
 25           directly serving or benefiting that allocation area.  
 26           (E) For property taxes first due and payable before 2009, pay  
 27           all or a part of a property tax replacement credit to taxpayers  
 28           in an allocation area as determined by the reuse authority. This  
 29           credit equals the amount determined under the following  
 30           STEPS for each taxpayer in a taxing district (as defined in  
 31           IC 6-1.1-1-20) that contains all or part of the allocation area:  
 32           STEP ONE: Determine that part of the sum of the amounts  
 33           under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
 34           IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
 35           IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.  
 36           STEP TWO: Divide:  
 37           (i) that part of each county's eligible property tax  
 38           replacement amount (as defined in IC 6-1.1-21-2) for that



1 year as determined under IC 6-1.1-21-4 that is attributable  
 2 to the taxing district; by  
 3 (ii) the STEP ONE sum.

4 STEP THREE: Multiply:

5 (i) the STEP TWO quotient; times  
 6 (ii) the total amount of the taxpayer's taxes (as defined in  
 7 IC 6-1.1-21-2) levied in the taxing district that have been  
 8 allocated during that year to an allocation fund under this  
 9 section.

10 If not all the taxpayers in an allocation area receive the credit  
 11 in full, each taxpayer in the allocation area is entitled to  
 12 receive the same proportion of the credit. A taxpayer may not  
 13 receive a credit under this section and a credit under section  
 14 27 of this chapter (before its repeal) in the same year.

15 (F) Pay expenses incurred by the reuse authority for local  
 16 public improvements or structures that were in the allocation  
 17 area or directly serving or benefiting the allocation area.

18 (G) Reimburse public and private entities for expenses  
 19 incurred in training employees of industrial facilities that are  
 20 located:

21 (i) in the allocation area; and  
 22 (ii) on a parcel of real property that has been classified as  
 23 industrial property under the rules of the department of local  
 24 government finance.

25 However, the total amount of money spent for this purpose in  
 26 any year may not exceed the total amount of money in the  
 27 allocation fund that is attributable to property taxes paid by the  
 28 industrial facilities described in this clause. The  
 29 reimbursements under this clause must be made not more than  
 30 three (3) years after the date on which the investments that are  
 31 the basis for the increment financing are made.

32 The allocation fund may not be used for operating expenses of the  
 33 reuse authority.

34 (3) Except as provided in subsection (g), before July 15 of each  
 35 year the reuse authority shall do the following:

36 (A) Determine the amount, if any, by which property taxes  
 37 payable to the allocation fund in the following year will exceed  
 38 the amount of property taxes necessary to make, when due,



principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated



1 upon or in or added to the allocation area, effective on the next  
2 assessment date after the petition.

3 (f) Notwithstanding any other law, the assessed value of all taxable  
4 property in the allocation area, for purposes of tax limitation, property  
5 tax replacement, and the making of the budget, tax rate, and tax levy  
6 for each political subdivision in which the property is located is the  
7 lesser of:

8 (1) the assessed value of the property as valued without regard to  
9 this section; or

10 (2) the base assessed value.

11 (g) If any part of the allocation area is located in an enterprise zone  
12 created under IC 5-28-15, the unit that designated the allocation area  
13 shall create funds as specified in this subsection. A unit that has  
14 obligations, bonds, or leases payable from allocated tax proceeds under  
15 subsection (b)(2) shall establish an allocation fund for the purposes  
16 specified in subsection (b)(2) and a special zone fund. Such a unit  
17 shall, until the end of the enterprise zone phase out period, deposit each  
18 year in the special zone fund any amount in the allocation fund derived  
19 from property tax proceeds in excess of those described in subsection  
20 (b)(1) from property located in the enterprise zone that exceeds the  
21 amount sufficient for the purposes specified in subsection (b)(2) for the  
22 year. The amount sufficient for purposes specified in subsection (b)(2)  
23 for the year shall be determined based on the pro rata part of such  
24 current property tax proceeds from the part of the enterprise zone that  
25 is within the allocation area as compared to all such current property  
26 tax proceeds derived from the allocation area. A unit that does not have  
27 obligations, bonds, or leases payable from allocated tax proceeds under  
28 subsection (b)(2) shall establish a special zone fund and deposit all the  
29 property tax proceeds in excess of those described in subsection (b)(1)  
30 that are derived from property in the enterprise zone in the fund. The  
31 unit that creates the special zone fund shall use the fund (based on the  
32 recommendations of the urban enterprise association) for programs in  
33 job training, job enrichment, and basic skill development that are  
34 designed to benefit residents and employers in the enterprise zone or  
35 other purposes specified in subsection (b)(2), except that where  
36 reference is made in subsection (b)(2) to allocation area it shall refer  
37 for purposes of payments from the special zone fund only to that part  
38 of the allocation area that is also located in the enterprise zone. The



1 programs shall reserve at least one-half (1/2) of their enrollment in any  
 2 session for residents of the enterprise zone.

3 (h) After each ~~general~~ reassessment of real property in an area  
 4 under a county's reassessment plan under IC 6-1.1-4, the department  
 5 of local government finance shall adjust the base assessed value one (1)  
 6 time to neutralize any effect of the ~~general~~ reassessment of the real  
 7 property in the area under a county's reassessment plan on the  
 8 property tax proceeds allocated to the military base reuse district under  
 9 this section. After each annual adjustment under IC 6-1.1-4-4.5, the  
 10 department of local government finance shall adjust the base assessed  
 11 value to neutralize any effect of the annual adjustment on the property  
 12 tax proceeds allocated to the military base reuse district under this  
 13 section. However, the adjustments under this subsection may not  
 14 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 15 these adjustments may not produce less property tax proceeds allocable  
 16 to the military base reuse district under subsection (b)(2) than would  
 17 otherwise have been received if the ~~general~~ reassessment under a  
 18 county's reassessment plan or annual adjustment had not occurred.  
 19 The department of local government finance may prescribe procedures  
 20 for county and township officials to follow to assist the department in  
 21 making the adjustments.

22 SECTION 204. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008,  
 23 SECTION 772, IS AMENDED TO READ AS FOLLOWS  
 24 [EFFECTIVE JANUARY 1, 2010]: Sec. 30. (a) The following  
 25 definitions apply throughout this section:

26 (1) "Allocation area" means that part of a military base  
 27 development area to which an allocation provision of a  
 28 declaratory resolution adopted under section 16 of this chapter  
 29 refers for purposes of distribution and allocation of property taxes.

30 (2) "Base assessed value" means:

31 (A) the net assessed value of all the property as finally  
 32 determined for the assessment date immediately preceding the  
 33 adoption date of the allocation provision of the declaratory  
 34 resolution, as adjusted under subsection (h); plus

35 (B) to the extent that it is not included in clause (A) or (C), the  
 36 net assessed value of any and all parcels or classes of parcels  
 37 identified as part of the base assessed value in the declaratory  
 38 resolution or an amendment to the declaratory resolution, as



1 finally determined for any subsequent assessment date; plus  
 2 (C) to the extent that it is not included in clause (A) or (B), the  
 3 net assessed value of property that is assessed as residential  
 4 property under the rules of the department of local government  
 5 finance, as finally determined for any assessment date after the  
 6 effective date of the allocation provision.

7 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
 8 property.

9 (b) A declaratory resolution adopted under section 16 of this chapter  
 10 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
 11 resolutions adopted under IC 36-7-14-15 may include a provision with  
 12 respect to the allocation and distribution of property taxes for the  
 13 purposes and in the manner provided in this section. A declaratory  
 14 resolution previously adopted may include an allocation provision by  
 15 the amendment of that declaratory resolution in accordance with the  
 16 procedures set forth in section 18 of this chapter. The allocation  
 17 provision may apply to all or part of the military base development  
 18 area. The allocation provision must require that any property taxes  
 19 subsequently levied by or for the benefit of any public body entitled to  
 20 a distribution of property taxes on taxable property in the allocation  
 21 area be allocated and distributed as follows:

22 (1) Except as otherwise provided in this section, the proceeds of  
 23 the taxes attributable to the lesser of:

24 (A) the assessed value of the property for the assessment date  
 25 with respect to which the allocation and distribution is made;  
 26 or

27 (B) the base assessed value;  
 28 shall be allocated to and, when collected, paid into the funds of  
 29 the respective taxing units.

30 (2) Except as otherwise provided in this section, property tax  
 31 proceeds in excess of those described in subdivision (1) shall be  
 32 allocated to the development authority and, when collected, paid  
 33 into an allocation fund for that allocation area that may be used by  
 34 the development authority and only to do one (1) or more of the  
 35 following:

36 (A) Pay the principal of and interest and redemption premium  
 37 on any obligations incurred by the development authority or  
 38 any other entity for the purpose of financing or refinancing



1 military base development or reuse activities in or directly  
 2 serving or ~~benefitting~~ **benefiting** that allocation area.

3 (B) Establish, augment, or restore the debt service reserve for  
 4 bonds payable solely or in part from allocated tax proceeds in  
 5 that allocation area or from other revenues of the development  
 6 authority, including lease rental revenues.

7 (C) Make payments on leases payable solely or in part from  
 8 allocated tax proceeds in that allocation area.

9 (D) Reimburse any other governmental body for expenditures  
 10 made for local public improvements (or structures) in or  
 11 directly serving or benefitting that allocation area.

12 (E) For property taxes first due and payable before 2009, pay  
 13 all or a part of a property tax replacement credit to taxpayers  
 14 in an allocation area as determined by the development  
 15 authority. This credit equals the amount determined under the  
 16 following STEPS for each taxpayer in a taxing district (as  
 17 defined in IC 6-1.1-1-20) that contains all or part of the  
 18 allocation area:

19 STEP ONE: Determine that part of the sum of the amounts  
 20 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
 21 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
 22 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

23 STEP TWO: Divide:

- 24 (i) that part of each county's eligible property tax  
 25 replacement amount (as defined in IC 6-1.1-21-2) for that  
 26 year as determined under IC 6-1.1-21-4 that is attributable  
 27 to the taxing district; by
- 28 (ii) the STEP ONE sum.

29 STEP THREE: Multiply:

- 30 (i) the STEP TWO quotient; by
- 31 (ii) the total amount of the taxpayer's taxes (as defined in  
 32 IC 6-1.1-21-2) levied in the taxing district that have been  
 33 allocated during that year to an allocation fund under this  
 34 section.

35 If not all the taxpayers in an allocation area receive the credit  
 36 in full, each taxpayer in the allocation area is entitled to  
 37 receive the same proportion of the credit. A taxpayer may not  
 38 receive a credit under this section and a credit under section



1 32 of this chapter (before its repeal) in the same year.  
 2 (F) Pay expenses incurred by the development authority for  
 3 local public improvements or structures that were in the  
 4 allocation area or directly serving or ~~benefitting~~ **benefitting** the  
 5 allocation area.

6 (G) Reimburse public and private entities for expenses  
 7 incurred in training employees of industrial facilities that are  
 8 located:

- 9 (i) in the allocation area; and
- 10 (ii) on a parcel of real property that has been classified as
- 11 industrial property under the rules of the department of local
- 12 government finance.

13 However, the total amount of money spent for this purpose in  
 14 any year may not exceed the total amount of money in the  
 15 allocation fund that is attributable to property taxes paid by the  
 16 industrial facilities described in this clause. The  
 17 reimbursements under this clause must be made not more than  
 18 three (3) years after the date on which the investments that are  
 19 the basis for the increment financing are made.

20 The allocation fund may not be used for operating expenses of the  
 21 development authority.

22 (3) Except as provided in subsection (g), before July 15 of each  
 23 year the development authority shall do the following:

24 (A) Determine the amount, if any, by which property taxes  
 25 payable to the allocation fund in the following year will exceed  
 26 the amount of property taxes necessary to make, when due,  
 27 principal and interest payments on bonds described in  
 28 subdivision (2) plus the amount necessary for other purposes  
 29 described in subdivision (2).

30 (B) Provide a written notice to the appropriate county auditors  
 31 and the fiscal bodies and other officers who are authorized to  
 32 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
 33 each of the other taxing units that is wholly or partly located  
 34 within the allocation area. The notice must:

- 35 (i) state the amount, if any, of the excess property taxes that
- 36 the development authority has determined may be paid to
- 37 the respective taxing units in the manner prescribed in
- 38 subdivision (1); or



1 (ii) state that the development authority has determined that  
 2 there is no excess assessed value that may be allocated to the  
 3 respective taxing units in the manner prescribed in  
 4 subdivision (1).

5 The county auditors shall allocate to the respective taxing units  
 6 the amount, if any, of excess assessed value determined by the  
 7 development authority. The development authority may not  
 8 authorize a payment to the respective taxing units under this  
 9 subdivision if to do so would endanger the interest of the  
 10 holders of bonds described in subdivision (2) or lessors under  
 11 section 24 of this chapter. Property taxes received by a taxing  
 12 unit under this subdivision before 2009 are eligible for the  
 13 property tax replacement credit provided under IC 6-1.1-21.

14 (c) For the purpose of allocating taxes levied by or for any taxing  
 15 unit or units, the assessed value of taxable property in a territory in the  
 16 allocation area that is annexed by a taxing unit after the effective date  
 17 of the allocation provision of the declaratory resolution is the lesser of:

- 18 (1) the assessed value of the property for the assessment date with
- 19 respect to which the allocation and distribution is made; or
- 20 (2) the base assessed value.

21 (d) Property tax proceeds allocable to the military base development  
 22 district under subsection (b)(2) may, subject to subsection (b)(3), be  
 23 irrevocably pledged by the military base development district for  
 24 payment as set forth in subsection (b)(2).

25 (e) Notwithstanding any other law, each assessor shall, upon  
 26 petition of the development authority, reassess the taxable property  
 27 situated upon or in or added to the allocation area, effective on the next  
 28 assessment date after the petition.

29 (f) Notwithstanding any other law, the assessed value of all taxable  
 30 property in the allocation area, for purposes of tax limitation, property  
 31 tax replacement, and the making of the budget, tax rate, and tax levy  
 32 for each political subdivision in which the property is located is the  
 33 lesser of:

- 34 (1) the assessed value of the property as valued without regard to
- 35 this section; or
- 36 (2) the base assessed value.

37 (g) If any part of the allocation area is located in an enterprise zone  
 38 created under IC 5-28-15, the development authority shall create funds



as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real property in the area under a county's reassessment plan on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual



1 adjustment on the property tax proceeds allocated to the military base  
 2 development district under this section. However, the adjustments  
 3 under this subsection may not include the effect of property tax  
 4 abatements under IC 6-1.1-12.1, and these adjustments may not  
 5 produce less property tax proceeds allocable to the military base  
 6 development district under subsection (b)(2) than would otherwise  
 7 have been received if the ~~general~~ reassessment **under a county's**  
 8 **reassessment plan** or annual adjustment had not occurred. The  
 9 department of local government finance may prescribe procedures for  
 10 county and township officials to follow to assist the department in  
 11 making the adjustments.

12 SECTION 205. IC 36-7-32-19, AS AMENDED BY P.L.154-2006,  
 13 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JANUARY 1, 2010]: Sec. 19. (a) The state board of accounts and  
 15 department of local government finance shall make the rules and  
 16 prescribe the forms and procedures that the state board of accounts and  
 17 department of local government finance consider appropriate for the  
 18 implementation of an allocation area under this chapter.

19 (b) After each ~~general~~ reassessment **of real property in an area**  
 20 **under a county's reassessment plan** under IC 6-1.1-4, the department  
 21 of local government finance shall adjust the base assessed value one (1)  
 22 time to neutralize any effect of the ~~general~~ reassessment **of the real**  
 23 **property in the area under a county's reassessment plan** on the  
 24 property tax proceeds allocated to the certified technology park fund  
 25 under section 17 of this chapter. After each annual adjustment under  
 26 IC 6-1.1-4-4.5, the department of local government finance shall adjust  
 27 the base assessed value to neutralize any effect of the annual  
 28 adjustment on the property tax proceeds allocated to the certified  
 29 technology park fund under section 17 of this chapter.

30 SECTION 206. IC 36-8-6-1.5 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
 32 Sec. 1.5. (a) As used in this chapter, "Internal Revenue Code":  
 33

34 (1) means the Internal Revenue Code of 1954, as in effect on  
 35 September 1, 1974, if permitted with respect to governmental  
 36 plans; or

37 (2) to the extent not inconsistent with subdivision (1), has the  
 38 meaning set forth in IC 6-3-1-11.

(b) The 1925 fund shall satisfy the qualification requirements in



Section 401 of the Internal Revenue Code, as applicable to the 1925 fund. In order to meet those requirements, the 1925 fund is subject to the following provisions, notwithstanding any other provision of this chapter:

(1) The local board shall distribute the corpus and income of the 1925 fund to members and their beneficiaries in accordance with this chapter.

(2) **Subject to subsection (d)**, no part of the corpus or income of the 1925 fund may be used or diverted to any purpose other than the exclusive benefit of the members and their beneficiaries.

(3) Forfeitures arising from severance of employment, death, or for any other reason may not be applied to increase the benefits any member would otherwise receive under this chapter.

(4) If the 1925 fund is terminated, or if all contributions to the 1925 fund are completely discontinued, the rights of each affected member to the benefits accrued at the date of the termination or discontinuance, to the extent then funded, are nonforfeitable.

(5) All benefits paid from the 1925 fund shall be distributed in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code and the regulations under that section. In order to meet those requirements, the 1925 fund is subject to the following provisions:

(A) The life expectancy of a member, the member's spouse, or the member's beneficiary shall not be recalculated after the initial determination, for purposes of determining benefits.

(B) If a member dies before the distribution of the member's benefits has begun, distributions to beneficiaries must begin no later than December 31 of the calendar year immediately following the calendar year in which the member died.

(C) The amount of an annuity paid to a member's beneficiary may not exceed the maximum amount determined under the incidental death benefit requirement of the Internal Revenue Code.

(6) The local board may not:

(A) determine eligibility for benefits;

(B) compute rates of contribution; or

(C) compute benefits of members or beneficiaries;

in a manner that discriminates in favor of members who are



considered officers, supervisors, or highly compensated, as prohibited under Section 401(a)(4) of the Internal Revenue Code.

(7) Benefits paid under this chapter may not exceed the maximum benefit specified by Section 415 of the Internal Revenue Code.

(8) The salary taken into account under this chapter may not exceed the applicable amount under Section 401(a)(17) of the Internal Revenue Code.

(9) The local board may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code.

(c) Notwithstanding any other provision of this chapter, and solely for the purposes of the benefits provided under this chapter, the benefit limitations of Section 415 of the Internal Revenue Code shall be determined by applying the provisions of Section 415(b)(10) of the Internal Revenue Code, as amended by the Technical and Miscellaneous Revenue Act of 1988. This section constitutes an election under Section 415(b)(10)(C) of the Internal Revenue Code to have Section 415(b) of the Internal Revenue Code, other than Section 415(b)(2)(G) of the Internal Revenue Code, applied without regard to Section 415(b)(2)(F) of the Internal Revenue Code to anyone who did not first become a participant before January 1, 1990.

**(d) The general assembly finds that any balance in a 1925 fund accruing from property taxes is no longer necessary to meet the obligations of the 1925 fund as a result of a change in IC 5-10.3-11-4.7 in 2008, which increased the amount payable by the state to local units of government to cover the total amount of pension, disability, and survivor benefit payments payable from the 1925 fund. To the extent permitted under Section 401 of the Internal Revenue Code, a local board may authorize the use of money in the 1925 fund to pay the following:**

**(1) Costs incurred by the local board or a city or town to administer the 1925 fund.**

**(2) Costs of health insurance or other health benefits provided to members of the 1925 fund or their beneficiaries.**

**The maximum amount that may be used under this subsection is the sum of the unencumbered balance of the 1925 fund on December 31, 2008, and the amount of property taxes imposed for an assessment date before January 16, 2008, for the benefit of the 1925 fund and deposited in the 1925 fund after December 31, 2008.**



1       SECTION 207. IC 36-8-7-2.5 IS AMENDED TO READ AS  
2       FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:

3       Sec. 2.5. (a) As used in this chapter, "Internal Revenue Code":

4           (1) means the Internal Revenue Code of 1954, as in effect on  
5           September 1, 1974, if permitted with respect to governmental  
6           plans; or

7           (2) to the extent not inconsistent with subdivision (1), has the  
8           meaning set forth in IC 6-3-1-11.

9       (b) The 1937 fund shall satisfy the qualification requirements in  
10      Section 401 of the Internal Revenue Code, as applicable to the 1937  
11      fund. In order to meet those requirements, the 1937 fund is subject to  
12      the following provisions, notwithstanding any other provision of this  
13      chapter:

14          (1) The local board shall distribute the corpus and income of the  
15          1937 fund to members and their beneficiaries in accordance with  
16          this chapter.

17          (2) **Subject to subsection (d)**, no part of the corpus or income of  
18          the 1937 fund may be used or diverted to any purpose other than  
19          the exclusive benefit of the members and their beneficiaries.

20          (3) Forfeitures arising from severance of employment, death, or  
21          for any other reason may not be applied to increase the benefits  
22          any member would otherwise receive under this chapter.

23          (4) If the 1937 fund is terminated, or if all contributions to the  
24          1937 fund are completely discontinued, the rights of each affected  
25          member to the benefits accrued at the date of the termination or  
26          discontinuance, to the extent then funded, are nonforfeitable.

27          (5) All benefits paid from the 1937 fund shall be distributed in  
28          accordance with the requirements of Section 401(a)(9) of the  
29          Internal Revenue Code and the regulations under that section. In  
30          order to meet those requirements, the 1937 fund is subject to the  
31          following provisions:

32              (A) The life expectancy of a member, the member's spouse, or  
33              the member's beneficiary shall not be recalculated after the  
34              initial determination, for purposes of determining benefits.

35              (B) If a member dies before the distribution of the member's  
36              benefits has begun, distributions to beneficiaries must begin  
37              no later than December 31 of the calendar year immediately  
38              following the calendar year in which the member died.



1 (C) The amount of an annuity paid to a member's beneficiary  
 2 may not exceed the maximum determined under the incidental  
 3 death benefit requirement of the Internal Revenue Code.

4 (6) The local board may not:  
 5 (A) determine eligibility for benefits;  
 6 (B) compute rates of contribution; or  
 7 (C) compute benefits of members or beneficiaries;  
 8 in a manner that discriminates in favor of members who are  
 9 considered officers, supervisors, or highly compensated, as  
 10 prohibited under Section 401(a)(4) of the Internal Revenue Code.

11 (7) Benefits paid under this chapter may not exceed the maximum  
 12 benefit specified by Section 415 of the Internal Revenue Code.

13 (8) The salary taken into account under this chapter may not  
 14 exceed the applicable amount under Section 401(a)(17) of the  
 15 Internal Revenue Code.

16 (9) The local board may not engage in a transaction prohibited by  
 17 Section 503(b) of the Internal Revenue Code.

18 (c) Notwithstanding any other provision of this chapter, and solely  
 19 for the purposes of the benefits provided under this chapter, the benefit  
 20 limitations of Section 415 of the Internal Revenue Code shall be  
 21 determined by applying the provisions of Section 415(b)(10) of the  
 22 Internal Revenue Code, as amended by the Technical and  
 23 Miscellaneous Revenue Act of 1988. This section constitutes an  
 24 election under Section 415(b)(10)(C) of the Internal Revenue Code to  
 25 have Section 415(b) of the Internal Revenue Code, other than Section  
 26 415(b)(2)(G) of the Internal Revenue Code, applied without regard to  
 27 Section 415(b)(2)(F) of the Internal Revenue Code to anyone who did  
 28 not first become a participant before January 1, 1990.

29 **(d) The general assembly finds that any balance in a 1937 fund**  
 30 **accruing from property taxes is no longer necessary to meet the**  
 31 **obligations of the 1937 fund as a result of a change in**  
 32 **IC 5-10.3-11-4.7 in 2008, which increased the amount payable by**  
 33 **the state to local units of government to cover the total amount of**  
 34 **pension, disability, and survivor benefit payments payable from the**  
 35 **1937 fund. To the extent permitted under Section 401 of the**  
 36 **Internal Revenue Code, a local board may authorize the use of**  
 37 **money in the 1937 fund to pay the following:**

38 (1) Costs incurred by the local board or a city or town to



1           **administer the 1937 fund.**

2           **(2) Costs of health insurance or other health benefits provided**  
 3           **to members of the 1937 fund or their beneficiaries.**

4           **The maximum amount that may be used under this subsection is**  
 5           **the sum of the unencumbered balance of the 1937 fund on**  
 6           **December 31, 2008, and the amount of property taxes imposed for**  
 7           **an assessment date before January 16, 2008, for the benefit of the**  
 8           **1937 fund and deposited in the 1937 fund after December 31, 2008.**

9           SECTION 208. IC 36-8-7.5-1.5 IS AMENDED TO READ AS  
 10          FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:

11       Sec. 1.5. (a) As used in this chapter, "Internal Revenue Code":

12           (1) means the Internal Revenue Code of 1954, as in effect on  
 13           September 1, 1974, if permitted with respect to governmental  
 14           plans; or

15           (2) to the extent not inconsistent with subdivision (1), has the  
 16           meaning set forth in IC 6-3-1-11.

17       (b) The 1953 fund shall satisfy the qualification requirements in  
 18       Section 401 of the Internal Revenue Code, as applicable to the 1953  
 19       fund. In order to meet those requirements, the 1953 fund is subject to  
 20       the following provisions, notwithstanding any other provision of this  
 21       chapter:

22           (1) The local board shall distribute the corpus and income of the  
 23           1953 fund to members and their beneficiaries in accordance with  
 24           this chapter.

25           (2) **Subject to subsection (d)**, no part of the corpus or income of  
 26           the 1953 fund may be used or diverted to any purpose other than  
 27           the exclusive benefit of the members and their beneficiaries.

28           (3) Forfeitures arising from severance of employment, death, or  
 29           for any other reason may not be applied to increase the benefits  
 30           any member would otherwise receive under this chapter.

31           (4) If the 1953 fund is terminated, or if all contributions to the  
 32           1953 fund are completely discontinued, the rights of each affected  
 33           member to the benefits accrued at the date of the termination or  
 34           discontinuance, to the extent then funded, are nonforfeitable.

35           (5) All benefits paid from the 1953 fund shall be distributed in  
 36           accordance with the requirements of Section 401(a)(9) of the  
 37           Internal Revenue Code and the regulations under that section. In  
 38           order to meet those requirements, the 1953 fund is subject to the



1 following provisions:

2 (A) The life expectancy of a member, the member's spouse, or  
 3 the member's beneficiary shall not be recalculated after the  
 4 initial determination, for purposes of determining benefits.

5 (B) If a member dies before the distribution of the member's  
 6 benefits has begun, distributions to beneficiaries must begin  
 7 no later than December 31 of the calendar year immediately  
 8 following the calendar year in which the member died.

9 (C) The amount of an annuity paid to a member's beneficiary  
 10 may not exceed the maximum determined under the incidental  
 11 death benefit requirement of the Internal Revenue Code.

12 (6) The local board may not:

13 (A) determine eligibility for benefits;

14 (B) compute rates of contribution; or

15 (C) compute benefits of members or beneficiaries;

16 in a manner that discriminates in favor of members who are  
 17 considered officers, supervisors, or highly compensated, as  
 18 prohibited under Section 401(a)(4) of the Internal Revenue Code.

19 (7) Benefits paid under this chapter may not exceed the maximum  
 20 benefit specified by Section 415 of the Internal Revenue Code.

21 (8) The salary taken into account under this chapter may not  
 22 exceed the applicable amount under Section 401(a)(17) of the  
 23 Internal Revenue Code.

24 (9) The local board may not engage in a transaction prohibited by  
 25 Section 503(b) of the Internal Revenue Code.

26 (c) Notwithstanding any other provision of this chapter, and solely  
 27 for the purposes of the benefits provided under this chapter, the benefit  
 28 limitations of Section 415 of the Internal Revenue Code shall be  
 29 determined by applying the provisions of Section 415(b)(10) of the  
 30 Internal Revenue Code, as amended by the Technical and  
 31 Miscellaneous Revenue Act of 1988. This section constitutes an  
 32 election under Section 415(b)(10)(C) of the Internal Revenue Code to  
 33 have Section 415(b) of the Internal Revenue Code, other than Section  
 34 415(b)(2)(G) of the Internal Revenue Code, applied without regard to  
 35 Section 415(b)(2)(F) of the Internal Revenue Code to anyone who did  
 36 not first become a participant before January 1, 1990.

37 **(d) The general assembly finds that any balance in a 1953 fund**  
 38 **accruing from property taxes is no longer necessary to meet the**



obligations of the 1953 fund as a result of a change in IC 5-10.3-11-4.7 in 2008, which increased the amount payable by the state to local units of government to cover the total amount of pension, disability, and survivor benefit payments payable from the 1953 fund. To the extent permitted under Section 401 of the Internal Revenue Code, a local board may authorize the use of money in the 1953 fund to pay the following:

(1) Costs incurred by the local board or a city or town to administer the 1953 fund.

(2) Costs of health insurance or other health benefits provided to members of the 1953 fund or their beneficiaries.

The maximum amount that may be used under this subsection is the sum of the unencumbered balance of the 1953 fund on December 31, 2008, and the amount of property taxes imposed for an assessment date before January 16, 2008, for the benefit of the 1953 fund and deposited in the 1953 fund after December 31, 2008.

SECTION 209. IC 36-8-11-18, AS AMENDED BY P.L.146-2008, SECTION 780, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 18. (a) The board shall annually budget the necessary money to meet the expenses of operation and maintenance of the district, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, bond redemption, and all other expenses lawfully incurred by the district. After estimating expenses and receipts of money, the board shall establish the tax levy required to fund the estimated budget.

(b) The budget must be approved by:

(1) the fiscal body of the county in conformity with IC 6-1.1-17-20; and

(2) the county board of tax adjustment, and the department of local government finance: if a county board of tax adjustment reviews budgets, tax rates, and tax levies in a county where the fire protection territory is located.

(c) Upon approval by the department of local government finance, the board shall certify the approved tax levy to the auditor of the county having land within the district. The auditor shall have the levy entered on the county treasurer's tax records for collection. After collection of the taxes the auditor shall issue a warrant on the treasurer to transfer



1 the revenues collected to the board, as provided by statute.

2 SECTION 210. IC 36-8-13-3 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The  
4 executive of a township, with the approval of the legislative body, may  
5 do the following:

6 (1) Purchase firefighting and emergency services apparatus and  
7 equipment for the township, provide for the housing, care,  
8 maintenance, operation, and use of the apparatus and equipment  
9 to provide services within the township but outside the corporate  
10 boundaries of municipalities, and employ full-time or part-time  
11 personnel to operate the apparatus and equipment and to provide  
12 services in that area. Preference in employment under this section  
13 shall be given according to the following priority:

14 (A) A war veteran who has been honorably discharged from  
15 the United States armed forces.

16 (B) A person whose mother or father was a:

- 17 (i) firefighter of a unit;  
18 (ii) municipal police officer; or  
19 (iii) county police officer;

20 who died in the line of duty (as defined in IC 5-10-10-2).

21 A person described in this subdivision may not receive a  
22 preference for employment unless the person applies for  
23 employment and meets all employment requirements prescribed  
24 by law, including physical and age requirements, and all  
25 employment requirements prescribed by the fire department.

26 (2) Contract with a municipality in the township or in a  
27 contiguous township that maintains adequate firefighting or  
28 emergency services apparatus and equipment to provide fire  
29 protection or emergency services for the township in accordance  
30 with IC 36-1-7.

31 (3) Cooperate with a municipality in the township or in a  
32 contiguous township in the purchase, maintenance, and upkeep of  
33 firefighting or emergency services apparatus and equipment for  
34 use in the municipality and township in accordance with  
35 IC 36-1-7.

36 (4) Contract with a volunteer fire department that has been  
37 organized to fight fires in the township for the use and operation  
38 of firefighting apparatus and equipment that has been purchased



by the township in order to save the private and public property of the township from destruction by fire, including use of the apparatus and equipment in an adjoining township by the department if the department has made a contract with the executive of the adjoining township for the furnishing of firefighting service within the township.

(5) Contract with a volunteer fire department that maintains adequate firefighting service in accordance with IC 36-8-12.

(b) This subsection applies only to townships that provide fire protection or emergency services or both under subsection (a)(1) and to municipalities that have ~~all~~ **some part of the** municipal territory ~~completely~~ within a township and do not have a full-time paid fire department. A township may provide fire protection or emergency services or both without contracts inside the corporate boundaries of the municipalities if before July 1 of a year the following occur:

(1) The legislative body of the municipality adopts an ordinance to have the township provide the services without a contract.

(2) The township legislative body passes a resolution approving the township's provision of the services without contracts to the municipality.

In a township providing services to a municipality under this section, the legislative body of either the township or a municipality in the township may opt out of participation under this subsection by adopting an ordinance or a resolution, respectively, before July 1 of a year.

(c) This subsection applies only to a township that:

(1) is located in a county containing a consolidated city;

(2) has at least three (3) included towns (as defined in IC 36-3-1-7) that have all municipal territory completely within the township on January 1, 1996; and

(3) provides fire protection or emergency services, or both, under subsection (a)(1);

and to included towns (as defined in IC 36-3-1-7) that have all the included town's municipal territory completely within the township. A township may provide fire protection or emergency services, or both, without contracts inside the corporate boundaries of the municipalities if before August 1 of the year preceding the first calendar year to which this subsection applies the township legislative body passes a resolution approving the township's provision of the services without



contracts to the municipality. The resolution must identify the included towns to which the resolution applies. In a township providing services to a municipality under this section, the legislative body of the township may opt out of participation under this subsection by adopting a resolution before July 1 of a year. A copy of a resolution adopted under this subsection shall be submitted to the executive of each included town covered by the resolution, the county auditor, and the department of local government finance.

SECTION 211. IC 36-8-15-19, AS AMENDED BY P.L.146-2008, SECTION 784, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19. (a) This subsection applies to a county that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the ~~local~~ **government tax control board department of local government finance** shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.



(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the ~~board,~~ **department of local government finance**, which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the ~~board,~~ **department of local government finance**, which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

(g) A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.

SECTION 212. IC 36-8-19-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 6.5. (a) The legislative bodies of all participating units in a territory may agree to change the**



provider unit of the territory from one (1) participating unit to another participating unit. To change the provider unit, the legislative body of each participating unit must adopt an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that agrees to and specifies the new provider unit. The provider unit may not be changed unless all participating units agree on the participating unit that will become the new provider unit. The participating units may not change the provider unit more than one (1) time in any year.

(b) The following apply to an ordinance or a resolution adopted under this section to change the provider unit of the territory:

(1) The ordinance or resolution must be adopted after January 1 but before April 1 of a year.

(2) The ordinance or resolution takes effect January 1 of the year following the year in which the ordinance or resolution is adopted.

SECTION 213. IC 36-8-19-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7.5. (a) This section applies to:

(1) county adjusted gross income tax, county option income tax, and county economic development income tax distributions; and

(2) excise tax distributions;

made after December 31, 2009.

(b) For purposes of allocating any county adjusted gross income tax, county option income tax, and county economic development income tax distributions or excise tax distributions that are distributed based on the amount of a taxing unit's property tax levies, each participating unit in a territory shall be considered to have imposed a part of the property tax levy imposed for the territory. The part of the property tax levy imposed for the territory for a particular year that shall be attributed to a participating unit is equal to the amount determined in the following STEPS:

STEP ONE: Determine the total amount of all property taxes imposed by the participating unit in the year before the year in which a property tax levy was first imposed for the territory.



1           **STEP TWO: Determine the sum of the STEP ONE amounts**  
 2           **for all participating units.**

3           **STEP THREE: Divide the STEP ONE result by the STEP**  
 4           **TWO result.**

5           **STEP FOUR: Multiply the STEP THREE result by the**  
 6           **property tax levy imposed for the territory for the particular**  
 7           **year.**

8           SECTION 214. IC 36-8-19-8, AS AMENDED BY P.L.128-2008,  
 9           SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10          JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8. (a) Upon the adoption  
 11          of identical ordinances or resolutions, or both, by the participating units  
 12          under section 6 of this chapter, the designated provider unit must  
 13          establish a fire protection territory fund from which all expenses of  
 14          operating and maintaining the fire protection services within the  
 15          territory, including repairs, fees, salaries, depreciation on all  
 16          depreciable assets, rents, supplies, contingencies, and all other  
 17          expenses lawfully incurred within the territory shall be paid. The  
 18          purposes described in this subsection are the sole purposes of the fund,  
 19          and money in the fund may not be used for any other expenses. Except  
 20          as allowed in subsections (d) and (e) and section 8.5 of this chapter, the  
 21          provider unit is not authorized to transfer money out of the fund at any  
 22          time.

23          (b) The fund consists of the following:

- 24           (1) All receipts from the tax imposed under this section.
- 25           (2) Any money transferred to the fund by the provider unit as
- 26           authorized under subsection (d).
- 27           (3) Any receipts from a false alarm fee or service charge imposed
- 28           by the participating units under IC 36-8-13-4.
- 29           (4) Any money transferred to the fund by a participating unit
- 30           under section 8.6 of this chapter.

31          (c) The provider unit, with the assistance of each of the other  
 32          participating units, shall annually budget the necessary money to meet  
 33          the expenses of operation and maintenance of the fire protection  
 34          services within the territory, plus a reasonable operating balance, not  
 35          to exceed twenty percent (20%) of the budgeted expenses. **Except as**  
 36          **provided in IC 6-1.1-18.5-10.5**, after estimating expenses and receipts  
 37          of money, the provider unit shall establish the tax levy required to fund  
 38          the estimated budget. The amount budgeted under this subsection shall



1 be considered a part of each of the participating unit's budget.

2 (d) If the amount levied in a particular year is insufficient to cover  
3 the costs incurred in providing fire protection services within the  
4 territory, the provider unit may transfer from available sources to the  
5 fire protection territory fund the money needed to cover those costs. In  
6 this case:

7 (1) the levy in the following year shall be increased by the amount  
8 required to be transferred; and

9 (2) the provider unit is entitled to transfer the amount described  
10 in subdivision (1) from the fund as reimbursement to the provider  
11 unit.

12 (e) If the amount levied in a particular year exceeds the amount  
13 necessary to cover the costs incurred in providing fire protection  
14 services within the territory, the levy in the following year shall be  
15 reduced by the amount of surplus money that is not transferred to the  
16 equipment replacement fund established under section 8.5 of this  
17 chapter. The amount that may be transferred to the equipment  
18 replacement fund may not exceed five percent (5%) of the levy for that  
19 fund for that year. Each participating unit must agree to the amount to  
20 be transferred by adopting an ordinance (if the unit is a county or  
21 municipality) or a resolution (if the unit is a township) that specifies an  
22 identical amount to be transferred.

23 (f) The tax under this section is ~~not~~ subject to the tax levy  
24 limitations imposed ~~on civil taxing units under IC 6-1.1-18.5 for any~~  
25 ~~unit that is a participating unit in a fire protection territory that was~~  
26 ~~established before August 1, 2001. under IC 6-1.1-18.5-10.5.~~

27 (g) This subsection applies to a participating unit in a fire protection  
28 territory established under IC 36-8-19 after July 31, 2001. For purposes  
29 of calculating a participating unit's maximum permissible ad valorem  
30 property tax levy for the three (3) calendar years in which the  
31 participating unit levies a tax to support the territory, the unit's  
32 maximum permissible ad valorem property tax levy for the preceding  
33 calendar year under ~~IC 6-1.1-18.5-3(a) STEP ONE or~~  
34 ~~IC 6-1.1-18.5-3(b) STEP ONE~~ is increased each year by an amount  
35 equal to the difference between the:

36 (1) amount the unit will have to levy for the ensuing calendar year  
37 in order to fund the unit's share of the fire protection territory  
38 budget for the operating costs as provided in the ordinance or



1 resolution making the unit a participating unit in the fire  
2 protection territory; and

3 (2) unit's levy for fire protection services for the calendar year that  
4 immediately precedes the ensuing calendar year in which the  
5 participating unit levies a tax to support the territory.

6 SECTION 215. IC 36-9-36-64 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 64. (a) For the purpose  
8 of raising money for the payment of certificates of indebtedness issued  
9 under section 62 of this chapter (or under IC 36-9-18 before its repeal  
10 in 1993) the fiscal body of the unit may do any of the following:

11 (1) Levy a special tax on all property in the unit each year.

12 (2) Issue and sell the bonds of the unit.

13 (3) Appropriate money from the general fund of the unit or from  
14 any other source.

15 (b) A special tax levied under this section shall be ~~fixed at a rate on~~  
16 ~~each one hundred dollars (\$100) of assessed valuation of levied on the~~  
17 taxable property in the unit **in an amount** sufficient for the payment of  
18 the certificates, together with interest, that were or will be issued  
19 between July 1 of the preceding year and July 1 of the year in which the  
20 levy of taxes is made.

21 (c) A special tax levied under this section shall be:

22 (1) levied, certified to the county auditor, and collected in the  
23 same manner as other taxes are levied, certified, and collected;  
24 and

25 (2) deposited in a separate fund known as the county (or  
26 municipal) improvement certificate fund for application to the  
27 payment of the certificates.

28 (d) The balance of the improvement certificate fund does not revert  
29 to the unit's general fund at the end of the unit's fiscal year, but remains  
30 in the fund for the next fiscal year.

31 SECTION 216. IC 36-9-41-4 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. A political  
33 subdivision borrowing money under section 3 of this chapter shall  
34 execute and deliver to the financial institution the negotiable note of  
35 the political subdivision for the sum borrowed. The note must bear  
36 interest, with both principal and interest payable in equal or  
37 approximately equal installments on January 1 and July 1 each year  
38 over a period not exceeding ~~six (6)~~ **ten (10)** years.



1 SECTION 217. IC 6-1.1-20.6-3.5 IS REPEALED [EFFECTIVE  
2 JANUARY 1, 2009 (RETROACTIVE)].

3 SECTION 218. IC 6-1.1-8-23 IS REPEALED [EFFECTIVE  
4 MARCH 1, 2009 (RETROACTIVE)].

5 SECTION 219. P.L.144-2008, SECTION 53 IS REPEALED  
6 [EFFECTIVE UPON PASSAGE].

7 SECTION 220. THE FOLLOWING ARE REPEALED  
8 [EFFECTIVE JULY 1, 2009]: IC 6-1.1-18.5-11; IC 6-1.1-19-4.1;  
9 IC 6-1.1-34-3; IC 20-18-2-21.5; IC 20-45-1-5.

10 SECTION 221. P.L.146-2008, SECTION 840 IS AMENDED TO  
11 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION  
12 840. (a) For property taxes first due and payable after December 31,  
13 2008, the department of local government finance shall reduce the  
14 maximum permissible ad valorem property tax levy of any civil taxing  
15 unit and special service district by the amount of the payment to be  
16 made in 2009 by the state of Indiana under IC 5-10.3-11, as amended  
17 by this act, for benefits to members (and survivors and beneficiaries of  
18 members) of the 1925 police pension fund, the 1937 firefighters'  
19 pension fund, or the 1953 police pension fund.

20 (b) **It is the intent of the general assembly that this SECTION be**  
21 **applied in the manner specified by the department of local**  
22 **government finance in its memorandum "Pre-1977 Police and**  
23 **Firefighters' Pension" dated July 23, 2008. An action taken in**  
24 **conformity with the memorandum is legalized and validated.**

25 (c) **This SECTION expires January 1, 2011.**

26 SECTION 222. P.L.146-2008, SECTION 849 IS AMENDED TO  
27 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009  
28 (RETROACTIVE)]: SECTION 849. (a) The definitions in IC 6-1.1-1,  
29 IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal)  
30 apply throughout this SECTION.

31 (b) A taxpayer that is entitled to a standard deduction under  
32 IC 6-1.1-12-37 for property taxes assessed for the March 1, 2008, and  
33 January 15, 2009, assessment dates is entitled to a homestead credit  
34 under this SECTION against the property tax liability (as described in  
35 IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's  
36 homestead for the March 1, 2008, and January 15, 2009, assessment  
37 dates.

38 (c) The amount of the credit to which an owner is entitled under this



- 1       SECTION equals the product of:
- 2           (1) the percentage prescribed in subsection (d)(3); multiplied by
- 3           (2) the amount of the individual's property tax liability (as
- 4           described in IC 6-1.1-21-5 (before its repeal)) that is:
- 5               (A) attributable to the homestead during the particular
- 6               calendar year; and
- 7               (B) determined after the application of all deductions from
- 8               assessed valuation that the owner claims under IC 6-1.1-12 or
- 9               IC 6-1.1-12.1 for property and the property tax replacement
- 10           credit under IC 6-1.1-21.
- 11       (d) The county auditor of each county shall determine:
- 12           (1) the amount of the county's homestead credit allotment
- 13           determined under subsection (e);
- 14           (2) the amount of uniformly applied homestead credits for the
- 15           year in the county that equals the amount determined under
- 16           subdivision (1); and
- 17           (3) the percentage of homestead credit that equates to the amount
- 18           of homestead credits determined under subdivision (2).
- 19       (e) There is granted under this SECTION a total of one hundred
- 20       forty million dollars (\$140,000,000) of homestead credits. The
- 21       homestead credits shall be distributed to each county as prescribed in
- 22       subsection (f). Before distribution, the department of local government
- 23       finance shall certify each county's homestead credit allotment to the
- 24       department of state revenue and to each county auditor.
- 25       (f) Each county's certified homestead credit allotment, which shall
- 26       be calculated by the budget agency, shall be determined under the
- 27       following STEPS:
- 28           STEP ONE: For each county, determine the total property tax
- 29           liability of all homestead properties in the county for the most
- 30           recent calendar year before the application of any credits.
- 31           STEP TWO: For each county, determine the total property tax
- 32           liability of all homestead properties resulting from property tax
- 33           levies that are eliminated or replaced by this act for the most
- 34           recent calendar year, before the application of any credits.
- 35           STEP THREE: Subtract the STEP TWO amount from the STEP
- 36           ONE amount.
- 37           STEP FOUR: Determine the sum of the amounts determined
- 38           under STEP THREE.



1 STEP FIVE: Divide the amount determined in STEP THREE by  
2 the amount determined in STEP FOUR.

3 STEP SIX: Multiply the result of STEP THREE by one hundred  
4 forty million dollars (\$140,000,000).

5 (g) Each county's homestead credit allotment authorized in this  
6 SECTION shall be distributed to that county ~~not more than in~~ two (2)  
7 ~~weeks after the county mails a property tax bill for which the~~  
8 ~~homestead credit under this SECTION is granted. equal installments.~~  
9 **The first installment shall be distributed not later than the first due**  
10 **date for property taxes payable in the county. The second**  
11 **installment shall be distributed not later than the second due date**  
12 **for property taxes payable in the county.**

13 (h) In addition to any other appropriations, there is appropriated one  
14 hundred forty million dollars (\$140,000,000) from the state general  
15 fund to make distributions for the homestead credits provided by this  
16 SECTION for property taxes assessed for the March 1, 2008, and  
17 January 15, 2009, assessment dates. Money distributed under this  
18 subsection shall be treated as property taxes for all purposes.

19 (i) The department of local government finance, the department of  
20 state revenue, and the budget agency shall take the actions necessary  
21 to carry out this SECTION. The department of local government  
22 finance and the budget agency shall make the certifications required  
23 under this SECTION based on the best information available at the  
24 time the certification is made.

25 SECTION 223. P.L.146-2008, SECTION 850 IS AMENDED TO  
26 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009  
27 (RETROACTIVE)]: SECTION 850. (a) The definitions in IC 6-1.1-1,  
28 IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal)  
29 apply throughout this SECTION.

30 (b) A taxpayer that is entitled to a standard deduction under  
31 IC 6-1.1-12-37 for property taxes assessed for the March 1, 2009, and  
32 January 15, 2010, assessment dates is entitled to a homestead credit  
33 under this SECTION against the property tax liability (as described in  
34 IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's  
35 homestead for the March 1, 2009, and January 15, 2010, assessment  
36 dates.

37 (c) The amount of the credit to which an owner is entitled under this  
38 SECTION equals the product of:



(1) the percentage prescribed in subsection (d)(3); multiplied by  
 (2) the amount of the individual's property tax liability (as  
 described in IC 6-1.1-21-5 (before its repeal)) that is:

(A) attributable to the homestead during the particular  
 calendar year; and

(B) determined after the application of all deductions from  
 assessed valuation that the owner claims under IC 6-1.1-12 or  
 IC 6-1.1-12.1 for property and the property tax replacement  
 credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

(1) the amount of the county's homestead credit allotment  
 determined under subsection (e);

(2) the amount of uniformly applied homestead credits for the  
 year in the county that equals the amount determined under  
 subdivision (1); and

(3) the percentage of homestead credit that equates to the amount  
 of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of eighty million  
 dollars (\$80,000,000) of homestead credits. The homestead credits  
 shall be distributed to each county as prescribed in subsection (f).  
 Before distribution, the department of local government finance shall  
 certify each county's homestead credit allotment to the department of  
 state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall  
 be calculated by the budget agency, shall be determined under the  
 following STEPS:

STEP ONE: For each county, determine the total of state  
 homestead credits granted in the county for the most recent  
 calendar year.

STEP TWO: Determine the sum of the amounts determined under  
 STEP ONE.

STEP THREE: Divide the amount determined in STEP ONE by  
 the amount determined in STEP TWO.

STEP FOUR: Multiply the result of STEP THREE by eighty  
 million dollars (\$80,000,000).

(g) Each county's homestead credit allotment authorized in this  
 SECTION shall be distributed to that county ~~not more than~~ in two (2)  
~~weeks after the county mails a property tax bill for which the~~



1 ~~homestead credit under this SECTION is granted.~~ **equal installments.**  
 2 **The first installment shall be distributed not later than the first due**  
 3 **date for property taxes payable in the county. The second**  
 4 **installment shall be distributed not later than the second due date**  
 5 **for property taxes payable in the county.**

6 (h) In addition to any other appropriations, there is appropriated  
 7 eighty million dollars (\$80,000,000) from the state general fund to  
 8 make distributions for the homestead credits provided by this  
 9 SECTION for property taxes assessed for the March 1, 2009, and  
 10 January 15, 2010, assessment dates. Money distributed under this  
 11 subsection shall be treated as property taxes for all purposes.

12 (i) The department of local government finance, the department of  
 13 state revenue, and the budget agency shall take the actions necessary  
 14 to carry out this SECTION. The department of local government  
 15 finance and the budget agency shall make the certifications required  
 16 under this SECTION based on the best information available at the  
 17 time the certification is made.

18 SECTION 224. [EFFECTIVE JANUARY 1, 2009  
 19 (RETROACTIVE)] (a) **IC 6-1.1-31-7, as amended by this act, does**  
 20 **not apply to assessment dates before January 16, 2010.**

21 (b) **IC 6-1.1-4-42, as added by this act, does not apply to**  
 22 **assessment dates before January 16, 2009. A rule or guideline of**  
 23 **the department of local government finance adopted or issued**  
 24 **before April 29, 2009, is void to the extent that the rule or guideline**  
 25 **is in conflict with IC 6-1.1-4-42, as added by this act.**

26 (c) **This SECTION expires January 1, 2011.**

27 SECTION 225. [EFFECTIVE MARCH 1, 2008 (RETROACTIVE)]

28 (a) **The amendments made by this act to:**

29 (1) **IC 6-1.1-5.5-5;**

30 (2) **IC 6-1.1-12-9;**

31 (3) **IC 6-1.1-12-17.8;**

32 (4) **IC 6-1.1-12-17.9;**

33 (5) **IC 6-1.1-12-37;**

34 (6) **IC 6-1.1-12-43;**

35 (7) **IC 6-1.1-12-44;**

36 (8) **IC 6-1.1-17-0.5; and**

37 (9) **IC 6-1.1-20.6-8.5;**

38 **and the repeal of IC 6-1.1-20.6-3.5 by this act apply to deductions**



1 and credits that affect property taxes first due and payable for  
 2 assessment dates after February 29, 2008, regardless of whether an  
 3 application for a particular deduction or credit was filed before  
 4 January 1, 2009.

5 (b) This SECTION expires July 1, 2011.

6 SECTION 226. [EFFECTIVE JULY 1, 2009] (a) IC 6-1.1-20-1.9,  
 7 as amended by this act, applies only to a petition requesting the  
 8 application of the local public question process to bonds or a lease  
 9 for which the preliminary determination to issue the bonds or  
 10 enter into the lease is published under IC 6-1.1-20-3.5(b)(2) after  
 11 June 30, 2009.

12 (b) This SECTION expires July 1, 2011.

13 SECTION 227. [EFFECTIVE JANUARY 1, 2009  
 14 (RETROACTIVE)] IC 36-8-19-8, as amended by this act, applies to  
 15 property taxes first due and payable after December 31, 2008.

16 SECTION 228. [EFFECTIVE JULY 1, 2009] (a) IC 6-1.1-12-9, as  
 17 amended by this act, applies to property taxes first due and  
 18 payable after December 31, 2009.

19 (b) This SECTION expires January 1, 2013.

20 SECTION 229. [EFFECTIVE JULY 1, 2009] (a) This SECTION  
 21 applies to a county that had an amount transferred to the county's  
 22 levy excess fund established under IC 6-1.1-18.5-17 from the  
 23 county's:

24 (1) family and children's fund under P.L.146-2008, SECTION  
 25 823(b); and

26 (2) children's psychiatric residential treatment services fund  
 27 under P.L.146-2008, SECTION 824(b).

28 (b) A county fiscal body may adopt a resolution to transfer the  
 29 amount referred to in subsection (a) from the county's levy excess  
 30 fund to the county's rainy day fund established under  
 31 IC 36-1-8-5.1.

32 (c) This SECTION expires December 31, 2009.

33 SECTION 230. [EFFECTIVE UPON PASSAGE] (a) This  
 34 SECTION applies to a county that had at least ten million dollars  
 35 (\$10,000,000) transferred to the county's levy excess fund  
 36 established under IC 6-1.1-18.5-17 from the county's:

37 (1) family and children's fund under P.L.146-2008, SECTION  
 38 823(b); and



(2) children's psychiatric residential treatment services fund under P.L.146-2008, SECTION 824(b).

(b) As used in this SECTION, "civil taxing unit" has the meaning set forth in:

(1) IC 6-3.5-1.1-1, if the county adjusted gross income tax is in effect in the county; or

(2) IC 6-3.5-6-1, if the county adjusted gross income tax is not in effect in the county.

(c) A county fiscal body may adopt a resolution to distribute an amount equal to those transfers referred to in subsection (a) from the county's levy excess fund to the county's rainy day fund established under IC 36-1-8-5.1 and for public safety as follows:

(1) One million dollars (\$1,000,000) from those transfers referred to in subsection (a) shall be distributed to the county's rainy day fund established under IC 36-1-8-5.1.

(2) Two-thirds (2/3) of the amount from those transfers referred to in subsection (a) that remains after the distribution under subdivision (1) shall be distributed to civil taxing units in the county.

(d) Before June 1, 2009, the county auditor shall determine each civil taxing unit's share of the amount referred to in subsection (c)(2) in the same manner that local income tax distributions are determined under:

(1) IC 6-3.5-1.1-15, if the county adjusted gross income tax is in effect in the county; or

(2) IC 6-3.5-6-18(6), if the county adjusted gross income tax is not in effect in the county.

The county auditor shall make the distributions to the civil taxing units in June 2009.

(e) This SECTION expires December 31, 2011.

SECTION 231. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies only to the Pendleton Community Library.

(b) Notwithstanding IC 36-12-12, the library board governing the library described in subsection (a) may annually impose a property tax levy for the library's capital projects fund in an amount that exceeds the limits imposed by IC 36-12-12 by twenty thousand dollars (\$20,000) for each calendar year beginning after December 31, 2009, and ending before January 1, 2015.



1           (c) This SECTION expires January 1, 2015.

2           SECTION 232. [EFFECTIVE UPON PASSAGE] (a) This  
3           SECTION applies to a fire protection district that:

4               (1) was initially established in 2006;

5               (2) has experienced significant revenue shortfalls due to  
6               cumulative mathematical errors in the calculation of its  
7               maximum permissible property tax levies in 2007 and 2008;  
8               and

9               (3) may experience a significant revenue shortfall in 2009 and  
10              2010, requiring the district to seek funds in addition to the  
11              amounts certified for the district's current budget to provide  
12              fire protection to district residents.

13          (b) A fire protection district described in this SECTION may  
14          borrow a specified amount of money if:

15              (1) the board of fire trustees of the district finds that:

16                  (A) an emergency exists requiring the expenditure of  
17                  money not included in the district's budget estimates and  
18                  levy; and

19                  (B) the emergency requiring the expenditure of money is  
20                  related to paying the operating expenses of the district;  
21                  and

22              (2) the fiscal body of the county approves the expenditure of  
23              the money.

24          (c) A fire protection district shall comply with IC 36-8-11-17  
25          with respect to a borrowing under this SECTION.

26          (d) The county fiscal body shall levy property taxes in amount  
27          sufficient to cover payments due under the borrowing authorized  
28          under this SECTION.

29          (e) This SECTION expires December 31, 2011.

30          SECTION 233. [EFFECTIVE UPON PASSAGE] (a) This  
31          SECTION applies only to an entity and to property that meet all of  
32          the following conditions:

33              (1) The entity is a nonprofit religious affiliated school that has  
34              been in existence for more than forty-five (45) years in a  
35              county containing a consolidated city.

36              (2) The entity received a gift of real property and  
37              improvements that for the assessment date in 2005 was  
38              exempt from property taxes under IC 6-1.1-10.



1           **(3) The entity failed to file a timely application under**  
 2           **IC 6-1.1-11 for property tax exemption for the property for**  
 3           **the assessment date in 2006.**

4           **(4) For the assessment dates in 2006, 2007, and 2008:**

5               **(A) property owned by the entity would have been eligible**  
 6               **for exemption from property taxes if the entity had timely**  
 7               **filed an application under IC 6-1.1-11 for property tax**  
 8               **exemption for the property; and**

9               **(B) the entity's property was subject to taxation.**

10           **(b) Notwithstanding IC 6-1.1-11 or any other law specifying the**  
 11           **date by which an application or statement for property tax**  
 12           **exemption must be filed to claim or continue an exemption for a**  
 13           **particular assessment date, an entity described in subsection (a)**  
 14           **may before July 1, 2009, file with the county assessor:**

15               **(1) an application for property tax exemption for the 2006**  
 16               **assessment date;**

17               **(2) a statement to continue the property tax exemption for the**  
 18               **2007 assessment date; and**

19               **(3) an application for property tax exemption for the 2008**  
 20               **assessment date.**

21           **(c) Notwithstanding IC 6-1.1-11 or any other law, an application**  
 22           **or statement for property tax exemption filed under subsection (b)**  
 23           **is considered to be timely filed, and the county assessor shall**  
 24           **forward the applications and statement to the county property tax**  
 25           **assessment board of appeals for review. The board shall grant an**  
 26           **exemption claimed for the assessment dates in 2006, 2007, and 2008**  
 27           **for property tax exemption if the board determines that:**

28               **(1) the entity's applications and statement for property tax**  
 29               **exemption satisfy the requirements of this SECTION; and**

30               **(2) the entity's property was, except for the failure to timely**  
 31               **file an application or statement for property tax exemption,**  
 32               **otherwise eligible for the claimed exemption.**

33           **If an entity is granted an exemption under this SECTION, any**  
 34           **unpaid property tax liability, including interest, for the entity's**  
 35           **property shall be canceled by the county treasurer.**

36           **(d) If an entity has previously paid the tax liability for property**  
 37           **with respect to the 2006, 2007, or 2008 assessment date and the**  
 38           **property is granted an exemption under this SECTION for the**



1       assessment date, the county auditor shall issue a refund of the  
 2       property tax paid by the entity. An entity is not required to apply  
 3       for any refund due under this SECTION. The county auditor shall,  
 4       without an appropriation being required, issue a warrant to the  
 5       entity payable from the county general fund for the amount of the  
 6       refund, if any, due the entity. No interest is payable on the refund.

7       (e) This SECTION expires January 1, 2010.

8       SECTION 234. [EFFECTIVE UPON PASSAGE] (a) This  
 9       SECTION applies only to a church and to land that meets all of the  
 10      following conditions:

11       (1) The church owns real property and improvements located  
 12       in a county containing a consolidated city that was exempt  
 13       from property taxation under IC 6-1.1-10 for the assessment  
 14       dates in 2007 and 2008.

15       (2) The church purchased land that is located adjacent to the  
 16       real property described in subdivision (1) after the 2007  
 17       assessment date but before the final tax statements for taxes  
 18       first due and payable in 2007 were mailed.

19       (3) The church failed to timely file an application under  
 20       IC 6-1.1-11 for a property tax exemption for the land  
 21       described in subdivision (2) for the 2008 assessment date but  
 22       filed in 2008 an exemption application that will first apply to  
 23       the 2009 assessment date under IC 6-1.1-11.

24       (4) For the assessment date in 2008:

25       (A) the land owned by the church would have been eligible  
 26       for exemption from property taxes if the church had timely  
 27       filed an application under IC 6-1.1-11 for a property tax  
 28       exemption for the land; and

29       (B) the church's property will be subject to assessment and  
 30       taxation.

31       (b) Notwithstanding IC 6-1.1-11 or any other law specifying the  
 32       date by which an application for property tax exemption must be  
 33       filed to claim an exemption for the 2008 assessment date, a church  
 34       described in subsection (a) may before July 1, 2009, file with the  
 35       county assessor an application for property tax exemption for the  
 36       2008 assessment date.

37       (c) Notwithstanding IC 6-1.1-11 or any other law, an application  
 38       for a property tax exemption that is filed under subsection (b) is



1 considered to be timely filed for the 2008 assessment date, and the  
 2 county assessor shall forward the application to the county  
 3 property tax assessment board of appeals for review. The board  
 4 shall grant an exemption claimed for the 2008 assessment date if  
 5 the board determines that:

6 (1) the church's application for property tax exemption  
 7 satisfies the requirements of this SECTION; and

8 (2) the church's land was, except for the failure to timely file  
 9 an application for a property tax exemption, otherwise eligible  
 10 for the claimed exemption on the 2008 assessment date.

11 (d) This SECTION expires January 1, 2010.

12 SECTION 235. [EFFECTIVE UPON PASSAGE] (a) The  
 13 legislative council shall appoint an interim study committee to  
 14 study whether taxpayers are permitted an appropriate opportunity  
 15 to participate in the process for determining the levies, tax rates,  
 16 special assessments, special benefits taxes, and budgets imposed by  
 17 political subdivisions.

18 (b) The committee shall operate under the rules and procedures  
 19 of the legislative council for study committees.

20 (c) Each member of the committee is entitled to receive the same  
 21 per diem, mileage, and travel allowances paid to legislative  
 22 members of interim study committees established by the legislative  
 23 council. Per diem, mileage, and travel allowances paid under this  
 24 subsection shall be paid from appropriations made to the  
 25 legislative council or the legislative services agency.

26 (d) The affirmative votes of a majority of members appointed  
 27 to the committee are required for the committee to take action on  
 28 any recommendation.

29 (e) The chairman of the legislative council shall appoint a  
 30 member of the committee to serve as chairperson.

31 (f) The committee shall prepare and submit a written report of  
 32 the committee's findings in an electronic format under IC 5-14-6  
 33 to the legislative council not later than November 1, 2009.

34 (g) This SECTION expires January 1, 2010.

35 SECTION 236. [EFFECTIVE UPON PASSAGE] (a) The  
 36 commission on state tax and financing policy established under  
 37 IC 2-5-3 shall study the allocation and distribution of county  
 38 adjusted gross income taxes (IC 6-3.5-1.1), county option income



1       taxes (IC 6-3.5-6), and county economic development income taxes  
2       (IC 6-3.5-7) to civil taxing units within a county.

3       (b) Before November 1, 2009, the commission on state tax and  
4       financing policy shall report its findings and any recommendations  
5       concerning the study topic described in subsection (a) in a final  
6       report to the legislative council in an electronic format under  
7       IC 5-14-6.

8       (c) This SECTION expires January 1, 2010.

9       SECTION 237. [EFFECTIVE JANUARY 1, 2010] IC 6-3.1-4-2, as  
10      amended by this act, applies to taxable years beginning after  
11      December 31, 2009.

12      SECTION 238. An emergency is declared for this act.

(Reference is to HB 1447 as reprinted February 24, 2009.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 10, Nays 1.

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**Hershman**

**Chairperson**